



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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CITY OF NEWARK
LICKING COUNTY, OHIO

SINGLE AUDIT

January 1, 2013 through December 31, 2013
Fiscal Year Audited Under GAGAS: 2013



Dave Yost • Auditor of State

City Council
City of Newark
40 West Main Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the City of Newark, Licking County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Newark is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 8, 2014

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City of Newark
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City of Newark
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department of Housing and Urban Development			
<i>Direct from the Federal Government:</i>			
Community Development Block Grants/Entitlements Grants Cluster:			
Community Development Block Grant	B-13-MC-39-0024	14.218	\$713,195
Total Community Development Block Grants/Entitlements Grants Cluster			713,195
Lead Based Paint Hazard Control in Privately-Owned Housing	OHLHB-0438-09	14.900	221,994
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
HOME Investment Partnerships Program	A-C-11-2HX-2	14.239	245,065
Total U.S. Department of Housing and Urban Development			1,180,254
U.S. Department of Transportation			
<i>Federal Highway Administration</i>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 86245	20.205	317,993
Highway Planning and Construction	PID 39575	20.205	50,096
Total Highway Planning and Construction			368,089
<i>Direct from the Federal Government:</i>			
Federal Transit Capital/Operating Grant	N/A	20.507	225,250
Federal Transit Capital/Operating Grant- ARRA	N/A	20.507	49,776
Total Transit Services Programs Cluster			275,026
State and Community Highway Safety Grant	N/A	20.600	6,416
Alcohol Impaired Driving Countermeasures Incentive Grants	N/A	20.601	938
Total CDFI Cluster			7,354
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	N/A	20.608	94,220
Total U.S. Department of Transportation			744,689
U.S. Department of Criminal Justice			
<i>Passed through the Ohio Department of Public Safety:</i>			
Edward Bryne Memorial Justice Assistance Grant	2012-JG-E01-6587	16.738	27,600
Edward Bryne Memorial Justice Assistance Grant - ARRA	2009-RA-LSS-2424	16.804	13,928
			41,528
Bulletproof Vest Partnership Program	N/A	16.607	2,605
Public Safety Partnership and Community Policing Grants (CHP)	2010UMWX0243	16.710	116,655
Total U.S. Department of Criminal Justice			160,788
U.S. Environmental Protection Agency			
<i>Direct from the Federal Government:</i>			
Brownfields Assessment and Cleanup Cooperative Agreements - ARRA	BF-00E01072-0	66.818	40,649
Total U.S. Environmental Protection Agency			40,649
U.S. Department of Homeland Security			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-DR-4077-OH	97.036	121,652
Assistance to Firefighters Grant	EMW-2012-FO-05855	97.044	67,364
Assistance to Firefighters Grant	EMW-2011-FP-00748	97.044	36,816
Assistance to Firefighters Grant	EMW-2011-FO-08509	97.044	40,999
			145,179
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2008-FF-00624	97.083	18,293
Total U.S. Department of Homeland Security			285,124
Total Federal Expenditures			\$2,411,504

N/A - pass through entity number not available or direct award

See accompanying notes to the schedule of federal awards expenditures.

CITY OF NEWARK
LICKING COUNTY, OHIO
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 – GENERAL

The accompanying Schedule of Federal Awards Expenditures (the Schedule) presents the activity of all federal financial programs of the City of Newark, Ohio. The City reporting entity is defined in Note 1 of the City's basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the Schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards Expenditures has been prepared on a basis of cash disbursements; consequently, expenditures are recognized when paid rather than when the obligation is incurred.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Newark
Licking County
40 West Main Street
Newark, Ohio 43055

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 23, 2014



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

City of Newark
Licking County
40 West Main Street
Newark, Ohio 43055

To the Members of Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Newark's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Newark's major federal programs for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on each of the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Newark complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council
City of Newark

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133
Page 3

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newark (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 23, 2014. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 23, 2014

City of Newark
Schedule of Findings
 OMB Circular A-133 Section .505
 For the Year Ended December 31, 2013

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA #14.218, Community Development Block Grants - Entitlement Grants CFDA 14.900, Lead-Based Paint Hazard Control in Privately-Owned Housing CFDA #20.205, Highway Planning and Construction
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

City of Newark
Schedule of Prior Audit Findings
For the Year Ended December 31, 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2012-01	Significant Deficiency – Bank Reconciliations	Yes	

City of Newark, Ohio

Licking County



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

Prepared by the Auditor's Office

Stephen E. Johnson
City Auditor



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LICKING COUNTY, OHIO

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CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055
Stephen E. Johnson, City Auditor
phone (740) 670-7560 fax (740) 670-7561

June 23, 2014

To The Members of City Council and
All Citizens of the City of Newark, Ohio

We are pleased to submit for your review the Comprehensive Annual Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2013. This report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Newark (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and presents all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Newark's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity:

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, and a storm water collection system, each of which is reported as an enterprise fund.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Historical Information:

The hub of a metropolitan area with in excess of 170,000 citizens and the county seat of Licking County, Newark, "Land of Legend," has served for nearly two centuries as a center of commerce and industry.

It will likely remain a mystery how long people inhabited the area where Newark is now located. When settlers first came to the wilderness of the Licking Valley, they found a maze of strange earthworks covering hundreds of acres. They discovered unusual and mysterious mounds of earth, shaped in circles, squares and other geometric forms which were already hundreds, perhaps thousands of years old. Little is known about these prehistoric engineers, the purpose of the earthworks, or the civilization that obviously flourished here, hence, the title "Land of Legend." Two large groups of these mounds are preserved today at Moundbuilders and Octagon State Memorials, where thousands of visitors come each year to look and wonder.

In the spring of 1802, General William Schenk platted around these ancient mounds a settlement named after his hometown of Newark, New Jersey. There were many salt licks in the area and by 1808 the area now known as Licking County was founded. During those early years, Newark remained a small settlement and by 1820 had grown to only 500 people. Then the canal came to Newark and with it settlers and commerce. Newark became known as Ohio's canal capital and by 1830, the population had grown to 3,000. The advent of the steam locomotive resulted in the demise of the canal system as the most important form of transportation. Shortly thereafter, Newark became an important rail center.

The decline of the railroad as a primary source of transportation has changed the emphasis of commerce and business in recent years, but Newark and the surrounding area continue to enjoy great progress in community development and are becoming one of the fastest growing areas in Ohio. Newark is the largest city in Licking County. Results of the 2010 census show that Newark exhibited continued and steady growth throughout the decade of 2000 through 2010. The 2010 census placed the population at 47,537.

Form of Government:

Statutory

Newark is a charter Mayor-Council form of government as prescribed by the Newark City Charter and Title Seven of the Ohio Revised Code. Newark's government was incorporated in 1826. The City is divided into seven wards with 47 election precincts. The City Council consists of one council person from each ward, plus three council persons at-large and a council president elected at-large. All serve four year terms. Elected officials serving four year terms are the Mayor, Law Director, Auditor and Treasurer. Currently, the Auditor is serving in his fourth term, the Law Director is serving in his third term, and the Mayor and Treasurer are serving in their first term. The Safety, Service, Human Resources, Community Development and Economic Development Directors are appointed by the Mayor and serve at the pleasure of the Mayor.

***Letter of Transmittal
For the Year Ended December 31, 2013***

City Charter

The Newark City Charter was approved by the voters in November of 1997 and became effective January 1, 1998. The Charter was amended in November 2002, 2007 and again in 2012. Some highlights of the Charter are as follows:

- ❖ Department of Economic Development established.
- ❖ Certain bidding requirements were altered.
- ❖ City council's term of office adjusted from two year to four year term.
- ❖ Residence requirements for safety forces.
- ❖ Auditor and Law Director added to Board of Control.
- ❖ Standards for open meetings and information access.
- ❖ Police Chief and Fire Chief recruitment outside departments is now allowed.

Location:

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 47,537. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

As part of the Columbus metropolitan area, in particular, its closeness to Port Columbus International Airport (located on Columbus' far east side), places the City of Newark in a very favorable position. Newark is close to a region of rapidly expanding business and industry, close to excellent transportation facilities and the governmental center of Ohio.

As previously noted, Newark is the home of the historic Moundbuilders State Memorial Park, known for its prehistoric Indian lore and featuring an Ohio Indian art museum. The National Heisey Glass Museum exhibits glass produced in Newark from 1895 to 1957. The Heisey Collectors of America operate this striking display of Heisey glassware housed in the 165 year old home of S.D. King, a prominent criminal attorney in the mid 1800's.

The Licking County Courthouse is located in the public square in downtown Newark. A variety of outdoor events are centered around the historic courthouse each year. At Christmas, the courthouse is a magnificent display of holiday splendor which has been featured on several magazine covers and was on the cover of our first comprehensive annual financial report issued for the year ended December 31, 1991. Newark's campus style high school is ranked as one of the five outstanding secondary educational institutions in the nation. As an alternative to public education, Newark has two parochial elementary schools and one high school.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Municipal Services:

The City of Newark provides a variety of services including police and fire protection, emergency medical service, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, property maintenance, cemetery and community development and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates three enterprise activities: water treatment and distribution, wastewater collection and treatment, and storm water collection. Funds from these enterprises are set up in accounts for the operation of these facilities. The facilities are operated in a manner similar to a private business. It is the mission of the City that the costs of providing these services to business, industry and the general public on a permanent basis be financed or recovered primarily through user fees.

The enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City Council has the necessary authority to establish and amend appropriate user rates as required. The rates are reviewed on an on-going basis to insure their adequacy. The City Council exercises sole authority regarding the frequency and amount of rate change for these services.

ECONOMIC OUTLOOK

Local Economy:

The Newark-Licking County area continues to benefit from a stable economy but unemployment rates, as in many places, increased during 2013. Several industrial parks in close proximity to Newark provide employment opportunities for residents in and around Newark and neighboring communities within the borders of Licking County. New businesses find this region in Ohio to be in the “heart of it all.” The Licking County region is within 500 miles of parcel post bulk mail centers and within 250 miles of all package delivery air hubs.

Newark area businesses continue to manufacture and distribute a wide variety of products. Foremost among these products are plastics, insulation, prefabricated homes, prismatic reflectors, wiping cloths, quartz and specialty products, asphalt, automotive products, bricks, chemicals, electronic equipment, truck axles and transmissions, anodized aluminum products, wood veneer, dairy products, concrete products and many other industrial specialty items. Newark and Licking County have been noted for their diversity of industry and business. During both strong and slow economic periods the area has not experienced wide variations in its economic indicators. The community has been fortunate to have experienced a steady economy along with a lower unemployment rate.

***Letter of Transmittal
For the Year Ended December 31, 2013***

There was tremendous change at the former Newark Air Force Base, now known as the Central Ohio Aerospace and Technology Center (COATC). Serving as anchor tenants, Boeing Guidance Repair Center and Wyle Labs are settling into their areas and into the community. The Heath-Newark-Licking County Port Authority which owns and manages the facility continues to plan for the future of the COATC. In addition to physical improvements to the property, the Port Authority continues to seek tenants who will complement the site's high-technology environment. COATC has over 50,000 square feet of existing multi-purpose space available. Land is also available for development. On-site first response fire protection services are provided by Rural Metro.

Area Development Magazine stated, "The Central Ohio Aerospace and Technology Center is one of Ohio's newest resources for advanced-technology companies. It also represents a unique initiative by the community, people and governments of Licking County who were determined that the decommissioning of the Newark Air Force Base would be a new beginning and not an end." The Port Authority intends to promote this excellent resource to the private sector, and by doing so, expects to create greater economic prosperity for the community. The Port Authority's goal for the facility is to one day become known as one of this country's premier high technology service centers. The Boeing Corporation has taken over operations at the former Newark Air Force Base.

The Longaberger Company, a manufacturer of decorative baskets and pottery sold through a network of independent distributors, moved into their new corporate headquarters on the east side of Newark during 1998. The headquarters building is a seven-story, \$30 million complex that follows the design of one of the company's famous handmade baskets. The unusual design has been featured in the Wall Street Journal, U.S. News and World Report and on CNN.

The Owens Corning Corporation remains one of the largest employers and the largest industry in Newark. The Newark facility is the "world's largest fiberglass manufacturing facility." It employs 500 people and fills several thousand orders per day. The plant is situated on 250 acres within the city and incorporates 70 buildings with approximately 40 acres under roof. Owens Corning's Research and Technology Center is in nearby Granville and employs over 600 researchers and their support staff. During the fall of 2000, Owens Corning went into bankruptcy. While the City is optimistic, the bankruptcy's impact is unknown. The recent recession, impacting the housing industry, has had an effect on Owens Corning as well.

Newer business to the Newark area includes the Bear Creek Corporation which is one of the nation's leading direct mail marketers. The Bear Creek Corporation includes the companies of Harry and David, Jackson and Perkins, Northwest Express and Bear Creek Gardens. Bear Creek is the largest direct mail marketer of gift fruit.

Unemployment Rates:

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 7.0%.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Employee Relations:

The City of Newark negotiates contracts with five employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, the American Federation of State, County and Municipal Employees (AFSCME) Local 2963, Ohio Council 8, AFL-CIO, certain other non-uniform employees of the City and employees in management and supervisory service. Current contracts with union employees cover the years 2011 through 2013.

MAJOR INITIATIVES

During 2013, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

Construction has been completed on the East Main Street Sanitary Sewer Improvements and extensions. The East Main Street Roadway culvert and signal improvements have been awarded to a construction company and work is proceeding satisfactorily. This entire East Main Street Project is being financed by Tax Increment Financing in conjunction with the Longaberger Company.

The City of Newark and the Longaberger Company entered into an agreement to update and improve the infrastructure on East Main Street where the company headquarters are located. The project involved updating and installing a sanitary sewer, road improvements, street lighting and traffic control lights and flood control improvements. In 1999 the City financed the project by issuing approximately \$3.5 million in general obligation bonds. The infrastructure improvements will eventually be paid by the Longaberger Company through a tax increment financing plan (T.I.F.). The agreement will allow future property taxes collected on the Longaberger site to be divided between the City of Newark and the local school district.

Construction was completed on the north side of the City to eliminate a dangerous intersection in the Waterworks Road-Mt. Vernon Road area. Along with an improved traffic pattern, retail development is expected along with a new North Side Fire Station. A TIF District has been created and further improvements will be funded through a combination of a bond issue and a low cost State Infrastructure loan. The income tax increase of one half percent passed by the voters in 2001 and dedicated to public safety has already provided for a new Central Police Station along with a new West Side Fire Station. During 2012 land was purchased and architectural plans were completed for a new central fire station to be located downtown on South Fourth Street.

Various improvements continue at the water and waste water plants, including the Licking River Interceptor project that will prevent overflow at the waste water facility.

Further development along the State Route 16 corridor is also taking place as a result of the Longaberger project. A beautification project involving Longaberger properties, construction of golf courses and a highway widening project were completed. The State Route 16 corridor will also be a vital segment of the proposed "Columbus to Pittsburgh Corridor" a planned expressway linking the two cities.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Recently a group of investors acquired and refurbished the former Longaberger Place off the Square Hotel in downtown Newark. The Longaberger Company is still a generous supporter of local organizations and schools. The Longaberger Company's success will provide a catalyst for additional development on Newark's east side. The Longaberger Company also acquired the Midland Theater and undertook a three year rehabilitation project. The rebuilt theater was turned over to the Midland Theater Association in 2002 after a \$8.5 million rehabilitation project. The Midland Theater is a hub of cultural events and brings top name entertainers to the city on a regular basis.

Work was completed on the SR 79/Hebron bypass, a new four-lane interchange at SR 40 and new construction to relocate SR 79 east of Hebron, Ohio.

Parks and Recreation

Throughout 2013, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public. The city of Newark recently acquired Don Edwards Field, the Babe Ruth Baseball Complex from Babe Ruth International with funds generated by a "Bed Tax" on occupied hotel rooms with proceeds being dedicated to recreation and tourism. With the purchase of Don Edwards Field, plans are underway to host the Babe Ruth World series in the upcoming years.

City-Wide Initiatives

Construction of a precedent setting venture on the Courthouse Square has been completed. The project is located on South Third Street at the site of a March 1994 fire which destroyed the Dollar General Store, a T-shirt design shop, a music workshop and a beauty shop. The project consisted of a four-story, 44-unit apartment building to house senior citizens. A McDonald's restaurant is located on the first floor of the building. The project was sponsored by a development company founded by the Rev. Charles Noble of the Shiloh Missionary Baptist Church and the Licking County Aging Program. The City of Newark has invested approximately \$20,000 towards the project. The remainder of the funding came from the Department of Housing and Urban Development. This was the first time that a federally-funded building has been joined with a commercial development.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 12.5% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 25% of the proceeds being earmarked and credited to the City's Capital Improvement Fund which is dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The City Auditor's Office is responsible for the auditing and analysis of all purchase orders and vouchers of the City. The Auditor's Office personnel review the purchase orders and vouchers very carefully to ensure the availability of monies in the proper funds and accounts prior to certification and payment of approved invoices. The City utilizes a fully automated accounting system, as well as an automated system of controls for capital asset accounting and payroll. These systems coupled with the review and examination performed by the City Auditor's Office ensure that the financial information generated is both accurate and reliable.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Budgetary control is maintained at the object level for each function within each fund by legislation approved by City Council. The various objects are:

- | | |
|-------------------------|------------------------------|
| * Personal services | * Materials and Supplies |
| * Contractual services | * Capital Outlay |
| * Other (Miscellaneous) | * Debt Service:
Principal |
| * Transfers | Interest |

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations at year end return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year which coincides with the calendar year.

OTHER INFORMATION

Independent Audit:

The basic financial statements of the City of Newark were audited by Balestra, Harr and Scherer, Certified Public Accountants Incorporated. The independent auditor's unmodified opinion has been included in this report.

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for twenty-two consecutive years (1991 - 2012). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2013***

Public Disclosure:

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Newark, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

Acknowledgments:

This report is a culmination of many hours of concentrated work on the part of a number of dedicated employees and associates, including, but not limited to, the Licking County Auditor and staff, the Newark Area Chamber of Commerce and the administration of the Newark City Schools. We want to thank all the employees who shared and supported us in our endeavor to produce this report.

We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

Finally, special thanks to the members of City Council and the City Administration, whose support is necessary for the City of Newark to conform to reporting requirements established for municipal governments. By doing so, the City has been able to maintain the sound financial position it has enjoyed for many years.

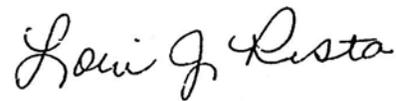
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

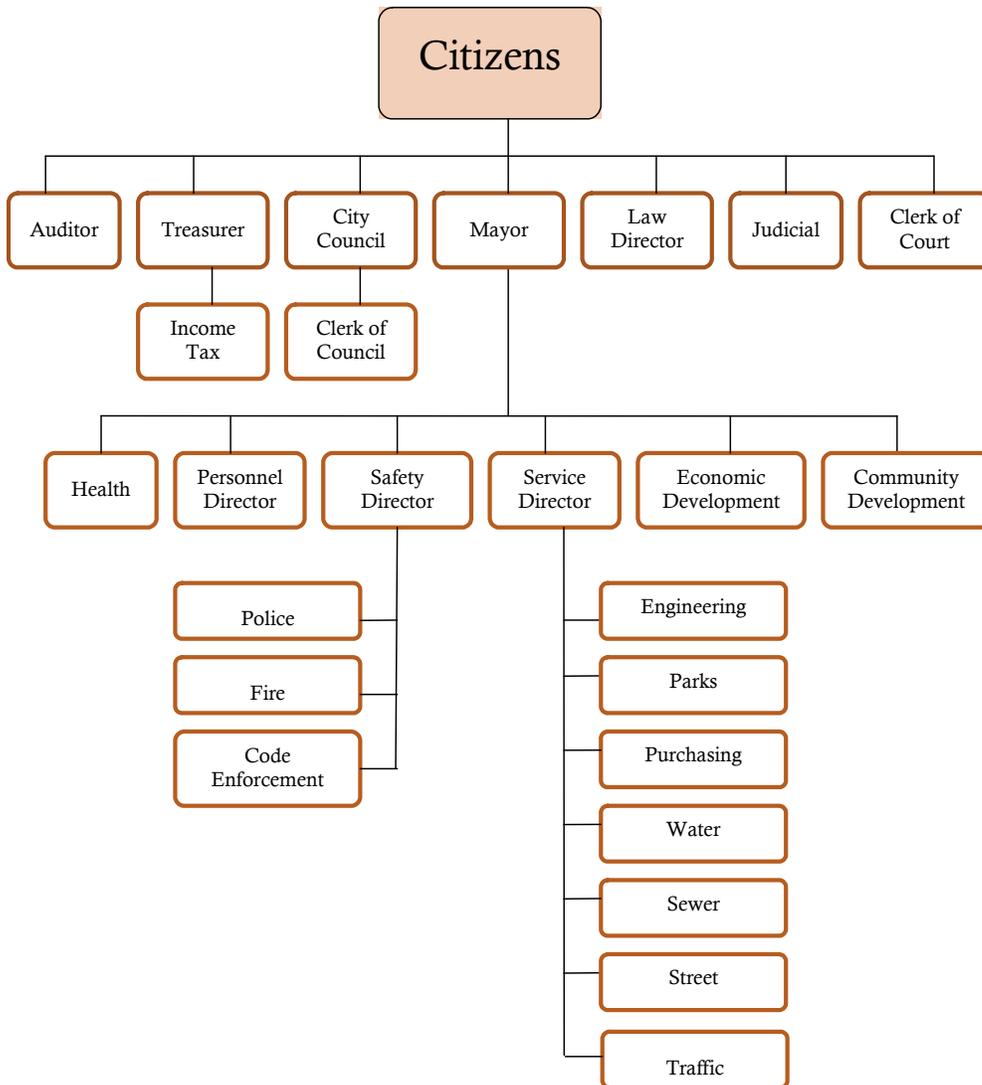
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2013***

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY DATA *</u>
Jeff Hall	Mayor	01/01/12 to 12/31/15	
Stephen E. Johnson	Auditor	01/01/12 to 12/31/15	\$5,000 01/01/08 to 12/31/15
Michael F. Higgins	Judge	01/01/08 to 12/31/13	
David Stansberry	Judge	01/01/12 to 12/31/17	
Douglas Sassen	Law Director	01/01/12 to 12/31/15	
Tim Mercer	Treasurer	01/01/12 to 12/31/13	\$30,000 01/01/05 to 12/31/13
Don Ellington	President of Council	01/01/12 to 12/31/15	
Ryan T. Bubb	Council-at-Large	01/01/12 to 12/31/15	
Bill Cost Jr.	Council-at-Large	01/01/12 to 12/31/15	
Marc Guthrie	Council-at-Large	01/01/12 to 12/31/15	
Clyde Edgar Houdeshell	Council 1st Ward	01/01/10 to 12/31/13	
Shirley Stare	Council 2nd Ward	01/01/10 to 12/31/13	
Jeff Rath	Council 3rd Ward	01/01/10 to 12/31/13	
Rhonda Loomis	Council 4th Ward	09/01/10 to 12/31/13	
Duke Frost	Council 5th Ward	01/11/12 to 12/31/13	
Douglas Marmie	Council 6th Ward	01/01/10 to 12/31/13	
Carol Floyd	Council 7th Ward	01/01/10 to 12/31/13	
Marcia Phelps	Clerk of Court	01/01/08 to 12/31/13	\$10,000 01/01/08 to 12/31/13

* - Ohio Casualty Insurance Company

**City Organizational Chart
For the Year Ended December 31, 2013**



***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

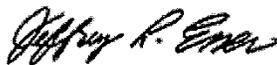
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Newark
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO





Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

City of Newark
Licking County
40 West Main Street
Newark, Ohio 43055

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio (the City), as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio, as of December 31, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund and Community Development Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 23, 2014



This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2013 are as follows:

- ❑ In total, net position increased \$2,615,470. Net position of governmental activities increased \$1,239,014, which represents a 2% change from 2012. Net position of business-type activities increased \$1,376,456 or 5% from 2012.
- ❑ General revenues accounted for \$26,016,592 in revenue or 48% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27,755,453, or 52% of total revenues of \$53,772,045.
- ❑ The City had \$36,424,645 in expenses related to governmental activities; only \$11,156,739 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,015,169 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$28,558,814 in revenues and other financing sources and \$28,965,643 in expenditures and other financing uses. The general fund's fund balance decreased from \$3,920,445 to \$3,516,323.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's program's and services are reported here including security of persons and property, leisure time activities, public health and welfare services, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, and storm water services are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Management's Discussion and Analysis
For the Year Ended December 31, 2013***

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water funds, each of which are considered major funds.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2013 compared to 2012.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$28,398,025	\$29,144,905	\$11,697,409	\$13,962,787	\$40,095,434	\$43,107,692
Capital Assets, Net	64,153,679	61,443,948	67,144,022	58,358,432	131,297,701	119,802,380
Total Assets	92,551,704	90,588,853	78,841,431	72,321,219	171,393,135	162,910,072
Deferred Outflows of Resources	0	0	216,704	260,046	216,704	260,046
Long-term Debt Outstanding	23,634,705	24,197,513	49,016,523	44,135,291	72,651,228	68,332,804
Other Liabilities	6,020,878	4,870,752	1,345,327	1,126,145	7,366,205	5,996,897
Total Liabilities	29,655,583	29,068,265	50,361,850	45,261,436	80,017,433	74,329,701
Deferred Inflows of Resources	3,209,621	3,073,102	0	0	3,209,621	3,073,102
Net Position						
Net Investment in Capital Assets	46,111,207	42,970,107	23,693,170	22,105,075	69,804,377	65,075,182
Restricted	11,903,557	13,070,091	0	0	11,903,557	13,070,091
Unrestricted	1,671,736	2,407,288	5,003,115	5,214,754	6,674,851	7,622,042
Total Net Position	\$59,686,500	\$58,447,486	\$28,696,285	\$27,319,829	\$88,382,785	\$85,767,315

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**Management's Discussion and Analysis
For the Year Ended December 31, 2013**

Unaudited

Changes in Net Position – The following table shows the changes in net position for the fiscal year 2013 compared with 2012:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,905,761	\$4,412,543	\$16,248,714	\$15,688,156	\$20,154,475	\$20,100,699
Operating Grants and Contributions	6,169,429	9,926,907	0	0	6,169,429	9,926,907
Capital Grants and Contributions	1,081,549	290,794	350,000	0	1,431,549	290,794
Total Program Revenues	11,156,739	14,630,244	16,598,714	15,688,156	27,755,453	30,318,400
General Revenues:						
Property Taxes	3,153,487	3,182,179	0	0	3,153,487	3,182,179
Income Taxes	19,435,197	20,287,028	0	0	19,435,197	20,287,028
Other Local Taxes	503,408	476,211	0	0	503,408	476,211
Intergovernmental, Unrestricted	2,075,599	2,231,124	0	0	2,075,599	2,231,124
Investment Earnings	132,177	168,953	1,423	6,297	133,600	175,250
Miscellaneous	715,301	417,356	0	0	715,301	417,356
Total General Revenues	26,015,169	26,762,851	1,423	6,297	26,016,592	26,769,148
Total Revenues	37,171,908	41,393,095	16,600,137	15,694,453	53,772,045	57,087,548
Program Expenses						
Security of Persons and Property	17,844,738	19,288,483	0	0	17,844,738	19,288,483
Leisure Time Activities	629,675	658,305	0	0	629,675	658,305
Community Environment	2,050,028	2,221,036	0	0	2,050,028	2,221,036
Public Health and Welfare Services	119,440	1,770,199	0	0	119,440	1,770,199
Transportation	4,761,118	6,457,578	0	0	4,761,118	6,457,578
General Government	10,207,273	10,860,659	0	0	10,207,273	10,860,659
Interest and Fiscal Charges	812,373	799,142	0	0	812,373	799,142
Water	0	0	5,729,159	6,670,964	5,729,159	6,670,964
Sewer	0	0	6,000,714	6,660,500	6,000,714	6,660,500
Storm Water	0	0	3,002,057	1,721,062	3,002,057	1,721,062
Total Expenses	36,424,645	42,055,402	14,731,930	15,052,526	51,156,575	57,107,928
Change in Net Position Before Transfers	747,263	(662,307)	1,868,207	641,927	2,615,470	(20,380)
Transfers	491,751	436,824	(491,751)	(436,824)	0	0
Total Change in Net Position	1,239,014	(225,483)	1,376,456	205,103	2,615,470	(20,380)
Beginning Net Position	58,447,486	58,672,969	27,319,829	27,114,726	85,767,315	85,787,695
Ending Net Position	\$59,686,500	\$58,447,486	\$28,696,285	\$27,319,829	\$88,382,785	\$85,767,315

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***Management's Discussion and Analysis
For the Year Ended December 31, 2013***

Unaudited

Governmental Activities

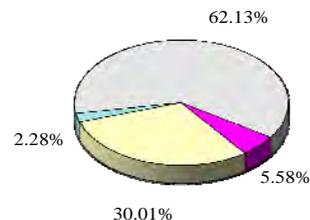
Net position of the City's governmental activities increased \$1,239,014. This represents a 2% change from 2012. Grants received in the prior year from the Clean Ohio Revitalization Fund resulted in an increase in operating grants and contributions as well as public health and welfare expenses in 2012 and a subsequent decrease in 2013. Capital grants and contributions from the Ohio Department of Transportation for improvements to West Main and Granville Streets resulted in the increase in capital grants. The decrease in income taxes was the result of two businesses closing in 2013.

A decrease in security of persons and property can be attributed to the City's 911 Call Center cost center being moved to the general government function as well as non-capitalized equipment purchases made in the prior fiscal year which were not repeated in the current fiscal year. Operation of the City's Taxi Token Program was moved to the County in 2013, resulting in a decrease in transportation expenses.

The City receives an income tax, which is based on 1.75% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

Income taxes and property taxes made up 52% and 8% respectively of revenues for governmental activities for the City in fiscal year 2013. The City's reliance upon tax revenues is demonstrated by the following graph indicating 62% of total revenues from general tax revenues:

Revenue Sources	2013	Percent of Total
General Tax Revenues	\$23,092,092	62.13%
Intergovernmental, Unrestricted	2,075,599	5.58%
Program Revenues	11,156,739	30.01%
General Other	847,478	2.28%
Total Revenue	<u>\$37,171,908</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$1,376,456. This represents a 5% change from the previous year. Charges for services remained consistent with the previous year. The Sewer department received a \$350,000 capital grant from the Ohio Public Works Commission for improvements to Channel and Postal Roads. Decreases in Water department expenses can be attributed to meter purchases made in the prior year. Increases in Storm Water department expenses can be attributed to increases in contractual repair costs.

**Management's Discussion and Analysis
For the Year Ended December 31, 2013**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$13,625,655, which is a decrease from last year's balance of \$15,646,328. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2013 and 2012:

	Fund Balance (Deficit) December 31, 2013	Fund Balance December 31, 2012	Increase (Decrease)
General	\$3,516,323	\$3,920,445	(\$404,122)
Community Development	5,154,122	5,832,236	(678,114)
Capital Improvement	(1,038,889)	702,416	(1,741,305)
Other Governmental	5,994,099	5,191,231	802,868
Total	<u>\$13,625,655</u>	<u>\$15,646,328</u>	<u>(\$2,020,673)</u>

General Fund – The City's General Fund balance change is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2013 Revenues	2012 Revenues	Increase (Decrease)
Taxes	\$22,133,243	\$22,457,472	(\$324,229)
Intergovernmental Revenues	2,462,115	2,559,774	(97,659)
Charges for Services	1,974,832	1,990,444	(15,612)
Licenses, Permits and Fees	75,781	65,196	10,585
Investment Earnings	37,919	115,204	(77,285)
Fines and Forfeitures	1,356,391	1,584,545	(228,154)
All Other Revenue	463,341	342,784	120,557
Total	<u>\$28,503,622</u>	<u>\$29,115,419</u>	<u>(\$611,797)</u>

General Fund revenues in 2013 decreased \$611,797 or approximately 2% when compared with the previous year. The decrease in taxes can be attributed to a decrease in income taxes, which was the result of two businesses closing in 2013. A decrease in fines and forfeitures was the result of decreases in traffic, criminal and civil small claims court payments.

	2013 Expenditures	2012 Expenditures	Increase (Decrease)
Security of Persons and Property	\$15,692,172	\$16,554,722	(\$862,550)
Leisure Time Activities	687,552	652,138	35,414
Community Environment	192,283	201,950	(9,667)
General Government	9,525,564	9,449,108	76,456
Total	<u>\$26,097,571</u>	<u>\$26,857,918</u>	<u>(\$760,347)</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2013***

Unaudited

General Fund expenditures decreased \$760,347 or approximately 3% when compared with the prior year. A decrease in security of persons and property can be attributed to the City's 911 Call Center cost center being moved to the general government function as well as equipment purchases made in the prior fiscal year which were not repeated in the current fiscal year.

Community Development Fund – The Community Development Fund balance decreased approximately 12% in 2013. This decrease in fund balance can be attributed to several loans either being forgiven or released due to foreclosure during the year.

Capital Improvement Fund – The City's Capital Improvement Fund reported a decrease in fund balance of \$1,741,305. General Obligation notes have been issued in the Capital Improvement Fund for various projects including rehabilitation of the City administration parking garage, improvements to the South Second Street bridge, and to acquire land, site preparation and architectural drawings for a new downtown fire station. In addition, the Capital Improvement Fund reported the proceeds of an Ohio Public Works Commission loan for the West Church Street bridge deck replacement.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2013 the City amended its General Fund budget several times, none significant.

For the General Fund, final budgeted receipts were 4% higher than original budgeted receipts due to increases in budgeted estate tax receipts. The difference between actual receipts and final budgeted receipts was insignificant. The difference between original and final budgeted expenditures was insignificant. Actual expenditures were 3% less than final budget estimates.

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**Management's Discussion and Analysis
For the Year Ended December 31, 2013**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2013 the City had \$131,297,701 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$64,153,679 was related to governmental activities and \$67,144,022 to the business-type activities. The following table shows fiscal year 2013 and 2012 balances:

	Governmental Activities		Increase (Decrease)
	2013	2012	
Land	\$20,059,826	\$20,109,460	(\$49,634)
Construction In Progress	1,112,555	0	1,112,555
Buildings	17,894,688	17,894,688	0
Improvements Other than Buildings	4,331,622	5,086,333	(754,711)
Infrastructure	64,787,726	61,074,578	3,713,148
Machinery and Equipment	9,799,884	9,702,978	96,906
Less: Accumulated Depreciation	(53,832,622)	(52,424,089)	(1,408,533)
Totals	<u>\$64,153,679</u>	<u>\$61,443,948</u>	<u>\$2,709,731</u>

An increase in infrastructure was the result of routine street maintenance as well as the replacement of the South Second Street bridge deck.

	Business-Type Activities		Increase (Decrease)
	2013	2012	
Land	\$161,800	\$161,800	\$0
Construction in Progress	10,469,316	24,266,708	(13,797,392)
Buildings and Improvements	58,091,134	36,330,185	21,760,949
Infrastructure	16,997,182	15,088,096	1,909,086
Machinery and Equipment	29,951,126	30,880,471	(929,345)
Less: Accumulated Depreciation	(48,526,536)	(48,368,828)	(157,708)
Totals	<u>\$67,144,022</u>	<u>\$58,358,432</u>	<u>\$8,785,590</u>

Significant additions to business-type activities capital assets consisted of waterline installation at Country Club Drive, a high rate treatment system project at the waste water treatment plant, storm water improvements, and a combined sewer overflow project. Additional information on the City's capital assets can be found in Note 8.

**Management's Discussion and Analysis
For the Year Ended December 31, 2013****Unaudited****Debt**

At December 31, 2013, the City had \$28.7 million in General Obligation bonds outstanding, \$1.7 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2013 and 2012:

	2013	2012
Governmental Activities:		
General Obligation Bonds	\$14,854,203	\$15,518,509
ODOT State Infrastructure Bank Loan	1,651,980	1,863,165
OPWC Loan	600,000	0
Capital Leases	1,397,398	1,794,187
Workers Compensation Retrospective Liability	115,831	0
Accrued Pension Liability	1,748,090	1,797,224
Compensated Absences	3,267,203	3,224,428
Total Governmental Activities	<u>23,634,705</u>	<u>24,197,513</u>
Business-Type Activities:		
General Obligation Bonds	\$13,798,821	\$15,183,810
Special Assessment Bond	5,132	10,260
OWDA Loans	32,630,272	27,158,821
OPWC Loans	1,673,341	910,822
Capital Leases	285,659	230,049
Compensated Absences	623,298	641,529
Total Business-Type Activities	<u>49,016,523</u>	<u>44,135,291</u>
Totals	<u>\$72,651,228</u>	<u>\$68,332,804</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2013, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The economy of the city of Newark has historically had a manufacturing base. This has resulted in an economic decline during recessionary periods. Attempts have been made recently to diversify so economic fluctuations will not impact the City as drastically.

A Tax Increment Finance (T.I.F.) district was created in 2003 to aid in the retail development of the north side of the City. The T.I.F. district provided infrastructure as well as road improvements. The T.I.F. district was expanded during 2004 to allow for continued development. A new T.I.F., abutting the two previously mentioned was established in 2006 to improve traffic flow and allow for continuing development.

While the City has experienced a general decline in manufacturing jobs over the past decade, two major industrial parks are located just outside the City limits and are responsible for a growth in manufacturing jobs. Two joint economic development zones (JEDZ) have been created with Etna Township. The unemployment in the City remains near the national average.

***Management's Discussion and Analysis
For the Year Ended December 31, 2013***

Unaudited

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds were used for general operating expenses thus causing delays in capital projects. However, the 2005 and 2006 budgets contained funding for a major street paving campaign. The city income tax was increased by the voters to allow for a police station to be built and construction of a replacement fire station. Both were completed during 2004. The 2012 budget is projected to increase slightly over the previous year. The City's ending cash balance had been declining over the past ten years but year-end 2007 saw a 60% increase. Due to declining tax revenues and building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves funded with a dedicated portion of Emergency Medical Transport revenue. The cash carry over at year end 2010 was nearly equal to 2009 but 2011 showed an increase over 2010 due to increased cash reserves. The 2012 cash carry over showed a slight increase over 2011. The 2013 cash carryover again showed an increase.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide a clear picture to citizens, taxpayers, investors and creditors and any interested party of the City's accountability of the funds it receives.

Please direct any questions you may have or request for additional information to: Stephen E. Johnson, City Auditor, 40 West Main Street, Newark, Ohio 43055.

CITY OF NEWARK, OHIO**Statement of Net Position
December 31, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 12,753,093	\$ 8,086,378	\$ 20,839,471
Cash and Cash Equivalents with Fiscal Agent	0	79,587	79,587
Investments	492,747	0	492,747
Receivables:			
Taxes	6,225,431	0	6,225,431
Accounts	500,194	1,986,514	2,486,708
Intergovernmental	2,939,598	0	2,939,598
Interest	3,487	0	3,487
Loans	4,627,537	0	4,627,537
Internal Balance	(821,705)	821,705	0
Inventory of Supplies at Cost	261,231	686,492	947,723
Prepaid Items	49,148	22,741	71,889
Restricted Assets:			
Cash and Cash Equivalents	240,885	0	240,885
Cash and Cash Equivalents with Fiscal Agent	26,333	13,992	40,325
Investments	627,500	0	627,500
Investments with Fiscal Agent	472,546	0	472,546
Non-Depreciable Capital Assets	21,172,381	10,631,116	31,803,497
Depreciable Capital Assets, Net	42,981,298	56,512,906	99,494,204
Total Assets	92,551,704	78,841,431	171,393,135
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	216,704	216,704
Liabilities:			
Accounts Payable	199,836	812,238	1,012,074
Accrued Wages and Benefits	1,710,473	311,184	2,021,657
Intergovernmental Payable	162,074	10,061	172,135
Claims Payable	402,611	0	402,611
Retainage Payable	0	79,587	79,587
Matured Bonds and Interest Payable	0	13,992	13,992
Accrued Interest Payable	95,884	118,265	214,149
General Obligation Notes Payable	3,450,000	0	3,450,000
Noncurrent liabilities:			
Due within one year	2,807,119	1,833,024	4,640,143
Due in more than one year	20,827,586	47,183,499	68,011,085
Total Liabilities	29,655,583	50,361,850	80,017,433

CITY OF NEWARK, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,209,621	0	3,209,621
Net Position:			
Net Investment in Capital Assets	46,111,207	23,693,170	69,804,377
Restricted For:			
Debt Service	1,135,564	0	1,135,564
Security of Persons	895,557	0	895,557
Street Improvement	1,821,402	0	1,821,402
Community Environment	5,295,742	0	5,295,742
Judiciary	1,478,517	0	1,478,517
Cemetery Maintenance	1,133,494	0	1,133,494
Other Purposes	143,281	0	143,281
Unrestricted	1,671,736	5,003,115	6,674,851
Total Net Position	\$ 59,686,500	\$ 28,696,285	\$ 88,382,785

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2013**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 17,844,738	\$ 3,063,296	\$ 1,737,704	\$ 0
Leisure Time Activities	629,675	0	0	0
Community Environment	2,050,028	72,154	1,251,363	0
Public Health and Welfare Services	119,440	108,539	74,151	0
Transportation	4,761,118	11,657	3,067,151	1,081,549
General Government	10,207,273	650,115	39,060	0
Interest and Fiscal Charges	812,373	0	0	0
Total Governmental Activities	36,424,645	3,905,761	6,169,429	1,081,549
Business-Type Activities:				
Water	5,729,159	6,570,928	0	0
Sewer	6,000,714	6,871,755	0	350,000
Storm Water	3,002,057	2,806,031	0	0
Total Business-Type Activities	14,731,930	16,248,714	0	350,000
Totals	\$ 51,156,575	\$ 20,154,475	\$ 6,169,429	\$ 1,431,549

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (13,043,738)	\$ 0	\$ (13,043,738)
(629,675)	0	(629,675)
(726,511)	0	(726,511)
63,250	0	63,250
(600,761)	0	(600,761)
(9,518,098)	0	(9,518,098)
(812,373)	0	(812,373)
<u>(25,267,906)</u>	<u>0</u>	<u>(25,267,906)</u>
0	841,769	841,769
0	1,221,041	1,221,041
0	(196,026)	(196,026)
<u>0</u>	<u>1,866,784</u>	<u>1,866,784</u>
\$ (25,267,906)	\$ 1,866,784	\$ (23,401,122)
2,079,535	0	2,079,535
411,562	0	411,562
662,390	0	662,390
19,435,197	0	19,435,197
503,408	0	503,408
2,075,599	0	2,075,599
132,177	1,423	133,600
715,301	0	715,301
491,751	(491,751)	0
<u>26,506,920</u>	<u>(490,328)</u>	<u>26,016,592</u>
1,239,014	1,376,456	2,615,470
58,447,486	27,319,829	85,767,315
<u>\$ 59,686,500</u>	<u>\$ 28,696,285</u>	<u>\$ 88,382,785</u>

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2013**

	General	Community Development	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 3,179,716	\$ 343,939	\$ 2,138,130
Investments	0	50,000	121,466
Receivables:			
Taxes	5,148,799	0	0
Accounts	468,520	0	0
Intergovernmental	800,488	190,811	0
Interest	523	34	457
Loans	0	4,627,537	0
Interfund Loans Receivable	15,743	0	0
Inventory of Supplies, at Cost	73,756	0	0
Prepaid Items	49,148	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 9,736,693	\$ 5,212,321	\$ 2,260,053
Liabilities:			
Accounts Payable	\$ 43,629	\$ 19,234	\$ 84,751
Accrued Wages and Benefits Payable	1,491,113	38,965	0
Intergovernmental Payable	6,092	0	0
Interfund Loans Payable	0	0	0
Accrued Interest Payable	0	0	14,191
General Obligation Notes Payable	0	0	3,200,000
Total Liabilities	1,540,834	58,199	3,298,942
Deferred Inflows of Resources:			
Unavailable Amounts	2,506,321	0	0
Property Tax Levy for Next Fiscal Year	2,173,215	0	0
Total Deferred Inflows of Resources	4,679,536	0	0
Fund Balance:			
Nonspendable	122,904	0	0
Restricted	0	5,154,122	0
Assigned	2,298,246	0	0
Unassigned	1,095,173	0	(1,038,889)
Total Fund Balance	3,516,323	5,154,122	(1,038,889)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 9,736,693	\$ 5,212,321	\$ 2,260,053

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 4,404,654	\$ 10,066,439
75,000	246,466
1,076,632	6,225,431
31,674	500,194
1,948,299	2,939,598
0	1,014
0	4,627,537
0	15,743
187,475	261,231
0	49,148
240,885	240,885
26,333	26,333
627,500	627,500
472,546	472,546
<u>\$ 9,090,998</u>	<u>\$ 26,300,065</u>
\$ 52,222	\$ 199,836
180,395	1,710,473
155,982	162,074
15,743	15,743
2,511	16,702
<u>250,000</u>	<u>3,450,000</u>
<u>656,853</u>	<u>5,554,828</u>
1,403,640	3,909,961
<u>1,036,406</u>	<u>3,209,621</u>
<u>2,440,046</u>	<u>7,119,582</u>
187,475	310,379
5,812,549	10,966,671
0	2,298,246
(5,925)	50,359
<u>5,994,099</u>	<u>13,625,655</u>
<u>\$ 9,090,998</u>	<u>\$ 26,300,065</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2013***

Total Governmental Fund Balances		\$ 13,625,655
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		64,153,679
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		3,909,961
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,711,092
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(14,854,203)	
ODOT State Infrastructure Bank Loan	(1,651,980)	
Ohio Public Works Commission Loan	(600,000)	
Capital Leases Payable	(1,397,398)	
Accrued Pension Liability	(1,748,090)	
Compensated Absences Payable	(3,267,203)	
Worker's Compensation Retrospective Liability	(115,831)	
Accrued Interest Payable	(79,182)	
	<u>(23,713,887)</u>	<u>(23,713,887)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 59,686,500</u>

See accompanying notes to the basic financial statements



CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013**

	General	Community Development	Capital Improvement
Revenues:			
Taxes	\$ 22,133,243	\$ 0	\$ 0
Intergovernmental Revenues	2,462,115	1,210,351	1,081,549
Charges for Services	1,974,832	0	0
Licenses, Permits and Fees	75,781	0	0
Investment Earnings	37,919	240	2,831
Special Assessments	0	0	0
Fines and Forfeitures	1,356,391	0	0
All Other Revenue	463,341	3,788	0
Total Revenue	28,503,622	1,214,379	1,084,380
Expenditures:			
Current:			
Security of Persons and Property	15,692,172	0	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	687,552	0	0
Community Environment	192,283	1,892,493	0
Transportation	0	0	0
General Government	9,525,564	0	0
Capital Outlay	0	0	4,645,720
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	29,496
Total Expenditures	26,097,571	1,892,493	4,675,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,406,051	(678,114)	(3,590,836)
Other Financing Sources (Uses):			
Sale of Capital Assets	8,372	0	0
Other Financing Sources - Capital Lease	0	0	73,900
Loan Issuance	0	0	0
OPWC Loan Issuance	0	0	600,000
Transfers In	46,820	0	1,175,631
Transfers Out	(2,868,072)	0	0
Total Other Financing Sources (Uses)	(2,812,880)	0	1,849,531
Net Change in Fund Balance	(406,829)	(678,114)	(1,741,305)
Fund Balance at Beginning of Year	3,920,445	5,832,236	702,416
Increase (Decrease) in Inventory	2,707	0	0
Fund Balance End of Year	\$ 3,516,323	\$ 5,154,122	\$ (1,038,889)

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,075,828	\$ 23,209,071
4,988,247	9,742,262
15,108	1,989,940
0	75,781
83,186	124,176
6,843	6,843
473,264	1,829,655
248,172	715,301
<u>6,890,648</u>	<u>37,693,029</u>
1,894,464	17,586,636
119,440	119,440
0	687,552
56,047	2,140,823
3,433,453	3,433,453
434,377	9,959,941
56,237	4,701,957
1,018,701	1,018,701
695,572	725,068
<u>7,708,291</u>	<u>40,373,571</u>
(817,643)	(2,680,542)
0	8,372
0	73,900
52,516	52,516
0	600,000
1,808,857	3,031,308
(196,986)	(3,065,058)
<u>1,664,387</u>	<u>701,038</u>
846,744	(1,979,504)
5,191,231	15,646,328
(43,876)	(41,169)
<u>\$ 5,994,099</u>	<u>\$ 13,625,655</u>

CITY OF NEWARK, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2013***

Net Change in Fund Balances - Total Governmental Funds \$ (1,979,504)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	5,325,482	
Depreciation Expense	(2,723,188)	2,602,294

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		525,501
---	--	---------

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(418,064)
--	--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(529,122)
--	--	-----------

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, however, has no effect on net position.

ODOT State Infrastructure Bank Loan	(52,516)	
Ohio Public Works Commission Loan	(600,000)	
Capital Leases Issued	(73,900)	(726,416)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Interest Accretion on General Obligation Bonds	(90,694)	
General Obligation Bond Principal Payment	755,000	
ODOT State Infrastructure Bank Loan Retirement	263,701	
Capital Lease Principal Payment	470,689	
Pension Liability Principal Payment	49,134	1,447,830

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,389

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(42,775)	
Worker's Compensation Retrospective Liability	(115,831)	
Change in Inventory	<u>(41,169)</u>	(199,775)

Internal Service Funds are used by management to charge the costs of insurance to individual funds and are not reported in the statement of activities.

Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

512,881

Change in Net Position of Governmental Activities

\$ 1,239,014

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 22,262,625	\$ 22,325,637	\$ 22,506,426	\$ 180,789
Intergovernmental Revenue	1,806,485	2,862,198	2,827,984	(34,214)
Charges for Services	1,972,025	1,988,250	1,988,917	667
Licenses, Permits and Fees	61,135	70,024	75,776	5,752
Investment Earnings	102,253	66,253	74,247	7,994
Fines and Forfeitures	1,500,500	1,374,958	1,351,175	(23,783)
All Other Revenue	205,268	460,554	481,305	20,751
Total Revenues	<u>27,910,291</u>	<u>29,147,874</u>	<u>29,305,830</u>	<u>157,956</u>
Expenditures:				
Current:				
Security of Persons and Property	16,287,690	16,497,782	16,041,120	456,662
Leisure Time Activities	571,320	699,751	691,005	8,746
Community Environment	255,067	222,567	199,651	22,916
General Government	10,239,918	10,461,065	10,201,598	259,467
Total Expenditures	<u>27,353,995</u>	<u>27,881,165</u>	<u>27,133,374</u>	<u>747,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	556,296	1,266,709	2,172,456	905,747
Other Financing Sources (Uses):				
Sale of Capital Assets	50,378	8,372	8,372	0
Transfers In	19,111,377	19,390,584	19,687,150	296,566
Transfers Out	(21,175,500)	(22,049,227)	(22,049,227)	0
Advances In	0	561,330	561,330	0
Advances Out	0	(15,743)	(15,743)	0
Total Other Financing Sources (Uses):	<u>(2,013,745)</u>	<u>(2,104,684)</u>	<u>(1,808,118)</u>	<u>296,566</u>
Net Change in Fund Balance	(1,457,449)	(837,975)	364,338	1,202,313
Fund Balance at Beginning of Year	2,048,588	2,048,588	2,048,588	0
Prior Year Encumbrances	317,266	317,266	317,266	0
Fund Balance at End of Year	<u>\$ 908,405</u>	<u>\$ 1,527,879</u>	<u>\$ 2,730,192</u>	<u>\$ 1,202,313</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Development Fund
For the Year Ended December 31, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,664,315	\$ 1,834,469	\$ 1,421,557	\$ (412,912)
Investment Earnings	135	135	216	81
All Other Revenue	<u>155,600</u>	<u>166,252</u>	<u>165,461</u>	<u>(791)</u>
Total Revenues	<u>2,820,050</u>	<u>2,000,856</u>	<u>1,587,234</u>	<u>(413,622)</u>
Expenditures:				
Current:				
Community Environment	<u>2,499,348</u>	<u>2,034,787</u>	<u>1,382,501</u>	<u>652,286</u>
Total Expenditures	<u>2,499,348</u>	<u>2,034,787</u>	<u>1,382,501</u>	<u>652,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	320,702	(33,931)	204,733	238,664
Fund Balance at Beginning of Year	(144,038)	(144,038)	(144,038)	0
Prior Year Encumbrances	<u>260,165</u>	<u>260,165</u>	<u>260,165</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 436,829</u>	<u>\$ 82,196</u>	<u>\$ 320,860</u>	<u>\$ 238,664</u>

See accompanying notes to the basic financial statements

**Statement of Net Position
Proprietary Funds
December 31, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Assets:			
Current Assets:			
Pooled Cash and Investments	\$ 2,688,383	\$ 3,327,684	\$ 2,070,311
Cash and Cash Equivalents with Fiscal Agent	0	79,587	0
Investments	0	0	0
Receivables:			
Accounts	854,201	854,201	278,112
Interest	0	0	0
Inventory of Supplies at Cost	447,760	202,140	36,592
Prepaid Items	12,204	10,368	169
Total Current Assets	4,002,548	4,473,980	2,385,184
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	287	13,705	0
Total Restricted Assets	287	13,705	0
Non Depreciable Capital Assets	161,800	8,077,528	2,391,788
Depreciable Capital Assets, Net	19,178,124	33,601,719	3,733,063
Total Noncurrent Assets	19,340,211	41,692,952	6,124,851
Total Assets	23,342,759	46,166,932	8,510,035
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	216,704	0	0
Liabilities:			
Current Liabilities:			
Accounts Payable	92,121	703,821	16,296
Accrued Wages and Benefits	188,749	110,240	12,195
Intergovernmental Payable	61	0	10,000
Claims Payable	0	0	0
Retainage Payable	0	79,587	0
Compensated Absences Payable - Current	144,034	117,743	8,058
Accrued Interest Payable	42,766	45,194	30,305
Capital Leases Payable - Current	49,582	0	33,385
General Obligation Bonds Payable - Current	742,426	51,250	166,500
Special Assessment Bonds Payable - Current	0	5,132	0
OWDA Loans Payable - Current	73,759	277,772	52,208
OPWC Loans Payable - Current	0	111,175	0
Total Current Liabilities	1,333,498	1,501,914	328,947

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
\$ 8,086,378	\$ 2,686,654
79,587	0
0	246,281
1,986,514	0
0	2,473
686,492	0
22,741	0
<u>10,861,712</u>	<u>2,935,408</u>
13,992	0
<u>13,992</u>	<u>0</u>
10,631,116	0
<u>56,512,906</u>	<u>0</u>
<u>67,158,014</u>	<u>0</u>
<u>78,019,726</u>	<u>2,935,408</u>
<u>216,704</u>	<u>0</u>
812,238	0
311,184	0
10,061	0
0	402,611
79,587	0
269,835	0
118,265	0
82,967	0
960,176	0
5,132	0
403,739	0
<u>111,175</u>	<u>0</u>
<u>3,164,359</u>	<u>402,611</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	287	13,705	0
Capital Leases Payable	132,786	0	69,906
General Obligation Bonds Payable	7,685,895	1,101,250	4,051,500
OWDA Loans Payable	2,953,385	28,742,880	530,268
OPWC Loans Payable	0	1,562,166	0
Compensated Absences Payable	188,673	154,234	10,556
Total Noncurrent Liabilities	10,961,026	31,574,235	4,662,230
Total Liabilities	12,294,524	33,076,149	4,991,177
Net Position:			
Net Investment in Capital Assets	11,572,160	9,822,494	2,298,516
Unrestricted	(307,221)	3,268,289	1,220,342
Total Net Position	\$ 11,264,939	\$ 13,090,783	\$ 3,518,858

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
13,992	0
202,692	0
12,838,645	0
32,226,533	0
1,562,166	0
353,463	0
<u>47,197,491</u>	<u>0</u>
<u>50,361,850</u>	<u>402,611</u>
23,693,170	0
<u>4,181,410</u>	<u>2,532,797</u>
<u>\$ 27,874,580</u>	<u>\$ 2,532,797</u>
821,705	
<u>\$ 28,696,285</u>	

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 6,098,396	\$ 6,507,691	\$ 2,804,705
Other Operating Revenues	472,532	364,064	1,326
Total Operating Revenues	6,570,928	6,871,755	2,806,031
Operating Expenses:			
Personal Services	1,835,249	1,343,145	195,966
Contractual Services	1,343,603	3,142,207	2,400,849
Materials and Supplies	1,167,778	603,896	98,589
Depreciation	776,699	610,353	78,176
Total Operating Expenses	5,123,329	5,699,601	2,773,580
Operating Income	1,447,599	1,172,154	32,451
Non-Operating Revenue (Expenses):			
Interest Income	811	161	451
Interest and Fiscal Charges	(603,370)	(228,709)	(207,694)
Loss on Disposal of Capital Assets	(103,358)	(68,912)	(20,783)
Other Nonoperating Expense	(16,711)	(3,492)	0
Total Non-Operating Revenues (Expenses)	(722,628)	(300,952)	(228,026)
Income (Loss) Before Transfers and Contributions	724,971	871,202	(195,575)
Transfers and Contributions:			
Transfers In	18,883	82,573	834,329
Transfers Out	(266,489)	(1,104,482)	(56,565)
Capital Contributions	0	350,000	0
Total Transfers and Contributions	(247,606)	(671,909)	777,764
Change in Net Position	477,365	199,293	582,189
Net Position Beginning of Year	10,787,574	12,891,490	2,936,669
Net Position End of Year	\$ 11,264,939	\$ 13,090,783	\$ 3,518,858

Change in Net Position - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Total	Governmental- Activities Internal Service
\$ 15,410,792	\$ 5,160,703
837,922	30
16,248,714	5,160,733
3,374,360	4,538,244
6,886,659	0
1,870,263	0
1,465,228	0
13,596,510	4,538,244
2,652,204	622,489
1,423	8,001
(1,039,773)	0
(193,053)	0
(20,203)	0
(1,251,606)	8,001
1,400,598	630,490
935,785	0
(1,427,536)	0
350,000	0
(141,751)	0
1,258,847	630,490
26,615,733	1,902,307
\$ 27,874,580	\$ 2,532,797
\$ 1,258,847	
117,609	
\$ 1,376,456	

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,609,793	\$6,910,620	\$2,818,685
Cash Payments for Goods and Services	(2,358,803)	(3,655,594)	(2,462,410)
Cash Payments to Employees	(1,914,153)	(1,324,720)	(199,190)
Net Cash Provided by Operating Activities	2,336,837	1,930,306	157,085
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	18,883	82,573	0
Transfers Out to Other Funds	(11,141)	0	(56,565)
Net Cash Provided (Used) by Noncapital Financing Activities	7,742	82,573	(56,565)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(1,287,415)	(9,127,090)	(465,291)
Capital Grants Received	0	350,000	0
Capital Lease Issuance	0	0	135,672
Principal Paid on Capital Lease	(47,681)	0	(32,381)
Principal Paid on General Obligation Bonds	(772,420)	(47,500)	(157,000)
Principal Paid on Special Assessment Bonds	0	(5,128)	0
Ohio Water Development Authority Loans Issued	0	7,052,742	0
Principal Paid on Ohio Water Development Authority Loans	(76,752)	(1,454,042)	(50,497)
Ohio Public Works Commission Loans Issued	0	832,090	0
Principal Paid on Ohio Public Works Commission Loan	0	(69,571)	0
Interest Paid on All Debt	(930,415)	(267,480)	(209,643)
Net Cash Used by Capital and Related Financing Activities	(3,114,683)	(2,735,979)	(779,140)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	811	161	451
Net Cash Provided by Investing Activities	811	161	451
Net Increase (Decrease) in Cash and Cash Equivalents	(769,293)	(722,939)	(678,169)
Cash and Cash Equivalents at Beginning of Year	3,457,963	4,064,328	2,748,480
Cash and Cash Equivalents at End of Year	\$2,688,670	\$3,341,389	\$2,070,311
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$2,688,383	\$3,327,684	\$2,070,311
Restricted Cash with Fiscal Agent	287	13,705	0
Cash and Cash Equivalents at End of Year	\$2,688,670	\$3,341,389	\$2,070,311

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
\$16,339,098	\$5,160,733
(8,476,807)	0
<u>(3,438,063)</u>	<u>(4,598,224)</u>
<u>4,424,228</u>	<u>562,509</u>
101,456	0
<u>(67,706)</u>	<u>0</u>
<u>33,750</u>	<u>0</u>
(10,879,796)	0
350,000	0
135,672	0
(80,062)	0
(976,920)	0
(5,128)	0
7,052,742	0
(1,581,291)	0
832,090	0
(69,571)	0
<u>(1,407,538)</u>	<u>0</u>
<u>(6,629,802)</u>	<u>0</u>
<u>1,423</u>	<u>6,148</u>
<u>1,423</u>	<u>6,148</u>
(2,170,401)	568,657
<u>10,270,771</u>	<u>2,117,997</u>
<u>\$8,100,370</u>	<u>\$2,686,654</u>
\$8,086,378	\$2,686,654
<u>13,992</u>	<u>0</u>
<u>\$8,100,370</u>	<u>\$2,686,654</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$1,447,599	\$1,172,154	\$32,451
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	776,699	610,353	78,176
Nonoperating Expense	(16,711)	(3,492)	0
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	38,865	38,865	12,654
Decrease in Inventory	159,803	30,071	12,466
Increase in Prepaid Items	(295)	(249)	(7)
Increase in Accounts Payable	9,720	64,179	14,569
Increase in Intergovernmental Payable	61	0	10,000
Increase (Decrease) in Accrued Wages and Benefits	(39,648)	(6,152)	328
Decrease in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	(39,256)	24,577	(3,552)
Total Adjustments	889,238	758,152	124,634
Net Cash Provided by Operating Activities	<u>\$2,336,837</u>	<u>\$1,930,306</u>	<u>\$157,085</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2013 the Water and Sewer Funds had outstanding liabilities of \$19,890, and \$556,158, respectively, for the purchase of certain capital assets.

During 2013, the Sewer Fund contributed \$270,153 and \$834,329 of capital assets to Governmental Activities and the Storm Water Fund, respectively. In addition, the Water Fund contributed \$255,348 of capital assets to the Governmental Activities during 2013.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
\$2,652,204	\$622,489
1,465,228	0
(20,203)	0
90,384	0
202,340	0
(551)	0
88,468	0
10,061	0
(45,472)	0
0	(59,980)
(18,231)	0
<u>1,772,024</u>	<u>(59,980)</u>
<u>\$4,424,228</u>	<u>\$562,509</u>

CITY OF NEWARK, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2013***

	<u>Agency Funds</u>
Assets:	
Receivables:	
Taxes	\$ 7,102
Restricted Assets:	
Cash and Cash Equivalents	<u>894,880</u>
Total Assets	<u>901,982</u>
Liabilities:	
Intergovernmental Payable	688,648
Due to Others	<u>213,334</u>
Total Liabilities	<u>\$ 901,982</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Newark, Ohio (the "City") was incorporated in 1826 under the laws of the State of Ohio. The City operates under a Council-Mayor form of government.

The financial statements are presented as of December 31, 2013 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, and a storm water collection system, which are reported as enterprise funds.

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses). The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Community Development Fund – This fund is used to account for Federal grants administered through the State, which are designated for community and environmental improvements.

Capital Improvement Fund – This fund is used to account for financial resources used for the major capital projects undertaken by the City.

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund – To account for the operation of the City's water service.

Sewer Fund – To account for the operation of the City's sanitary sewer service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Storm Water Fund – To account for the operation of the City’s storm water drainage system.

Internal Service Fund - To account for the accumulation and allocation of costs associated with the City’s health and dental self-insurance program.

Fiduciary Funds

Agency Funds - These funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The agency funds account for municipal court monies, fire damage reimbursements, fines for the Licking County law library and Joint Economic Development Zone income tax collections. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide statement of net position.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from property taxes is recognized in the period for which the taxes are levied and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, property taxes, interest on investments and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes, which are measurable at December 31, 2013 but are not intended to finance 2013 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and agency funds. Revenues are recognized when they are earned and expenses recognized when incurred.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The Mary E. Barnes Trust Fund (special revenue fund) was not budgeted and only exists on a GAAP basis. The primary level of budgetary control is at the department level by object code. Budgetary modifications may be made only by ordinance of the City Council.

1. Tax Budget

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2013.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the department and object code level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. During the year, several supplemental appropriations were necessary to budget contingency funds, intergovernmental grants and proceeds of debt issues. The allocation of appropriations among departments and objects within a

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund and Major Special Revenue Funds" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the General and major Special Revenue fund:

	Net Change in Fund Balance	
	General Fund	Community Development Fund
GAAP Basis (as reported)	(\$406,829)	(\$678,114)
Increase (Decrease):		
Accrued Revenues at December 31, 2013 received during 2014	(1,738,231)	(4,818,382)
Accrued Revenues at December 31, 2012 received during 2013	3,086,026	5,903,945
Accrued Expenditures at December 31, 2013 paid during 2014	1,540,834	58,199
Accrued Expenditures at December 31, 2012 paid during 2013	(1,649,206)	(187,836)
2012 Prepays for 2013	46,722	0
2013 Prepays for 2014	(49,148)	0
Outstanding Encumbrances	(465,830)	(73,079)
Budget Basis	<u>\$364,338</u>	<u>\$204,733</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, a repurchase agreement, the State Treasury Asset Reserve (STAR Ohio) and short-term certificates of deposit with original maturities of three months or less. The repurchase agreement, Star Ohio and certificates of deposit are considered cash equivalents because they are highly liquid investments. See Note 4, "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements and certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City invested funds in the STAR Ohio during 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2013.

H. Inventory

On the government-wide financial statements and in the proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$15,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	45
Improvements other than Buildings	60
Machinery, Equipment, Furniture and Fixtures	3 - 10
Infrastructure	15 - 75

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Storm Water Fund Tax Increment Financing Fund Debt Service Fund
Special Assessment Bond	Sewer Fund
OWDA Loan	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loan	Sewer Fund
Capital Leases	Capital Improvement Fund, Water Fund, Storm Water Fund
Compensated Absences	General Fund Street Department Fund Community Development Fund Court Computerization Fund Probation Grant Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General Fund
Worker's Compensation Retrospective Liability	General Fund
ODOT SIB Loan	Tax Increment Financing Fund

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for one-hundred percent (100%) of their unused vacation leave.

Sick leave is accrued by all employees at the rate of 4.615 hours every two weeks for a total of fifteen days of sick leave accrued per year. A percentage of accrued sick leave time is liquidated in cash at termination (in good standing) or at retirement. The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Generally, employees with ten years of continuous service may receive 33% of their accrued sick leave if they terminate in good standing prior to retirement. Employees who elect to retire after 25 years of credit in the retirement system receive 50% of their accrued sick leave at time of retirement. Cash compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments. In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the Government-wide Statements under Long-term Liabilities.

M. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service. Interfund services provided and used are not eliminated through the process of consolidation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

P. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

Restricted cash and investments are amounts restricted in use for cemetery care and maintenance, fire department operations, and permissive tax monies held and secured by Licking County.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, and storm water collection. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2013.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The fund deficit at December 31, 2013 of \$5,925 in the Brownfield Cleanup Fund (special revenue fund) arises from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary/cash basis. The General Fund provides transfers when cash is required, not when accruals occur. The fund deficit of \$1,038,889 in the Capital Improvement Fund (capital projects fund) is due to the recording of general obligation notes payable in the individual fund balance sheet.

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Community Development Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$73,756	\$0	\$0	\$187,475	\$261,231
Prepaid Items	49,148	0	0	0	49,148
Total Nonspendable	122,904	0	0	187,475	310,379
Restricted:					
Community Development	0	5,154,122	0	0	5,154,122
Capital Acquisition and Improvement	0	0	0	361,917	361,917
Cemetery Maintenance	0	0	0	1,133,494	1,133,494
Memorial Sidewalk Program	0	0	0	82,995	82,995
Street Maintenance	0	0	0	831,012	831,012
Adult Probation Program	0	0	0	135,650	135,650
FTA Taxi Token Program	0	0	0	60,286	60,286
Court Improvements	0	0	0	1,478,517	1,478,517
Police and Fire Pension	0	0	0	8,780	8,780
Law Enforcement	0	0	0	253,714	253,714
Safety Grants Program	0	0	0	124,925	124,925
Park Improvements	0	0	0	38,028	38,028
Pollution Remediation	0	0	0	167,667	167,667
Debt Retirement	0	0	0	1,135,564	1,135,564
Total Restricted	0	5,154,122	0	5,812,549	10,966,671
Assigned:					
Encumbrances	416,111	0	0	0	416,111
Fiscal 2014 Budget Deficit	1,882,135	0	0	0	1,882,135
Total Assigned	2,298,246	0	0	0	2,298,246
Unassigned (Deficits):	1,095,173	0	(1,038,889)	(5,925)	50,359
Total Fund Balances	\$3,516,323	\$5,154,122	(\$1,038,889)	\$5,994,099	\$13,625,655

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

A. Deposits

At year end the carrying amount of the City's deposits was \$11,939,935 and the bank balance was \$12,229,970. Federal depository insurance covered \$4,522,862 of the bank balance and \$7,707,108 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$7,707,108</u>
Total Balance	<u><u>\$7,707,108</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2013 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$3,016,363	N/A	\$3,016,363	\$0	\$0
STAR Ohio	4,027,403	AAAm ¹	4,027,403	0	0
Corporate Equities	395,556	N/A	395,556	0	0
Corporate Notes/Bonds	57,297	Ba1 ²	57,297	0	0
Negotiable CD's	2,752,159	AAA ³	748,967	2,003,192	0
FFCB	19,693	AA+ ¹	10,073	0	9,620
FNMA	1,479,535	AA+ ¹	492,025	987,510	0
Total Investments	<u>\$11,748,006</u>		<u>\$8,747,684</u>	<u>\$2,990,702</u>	<u>\$9,620</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's investment policy is consistent with the Ohio Revised Code concerning interest rate risk.

Investment Credit Risk – The City's investment policy does not limit its investment choices other than the limitation of State statute for "interim" funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 26% was in a Repurchase Agreement, 34% was in STAR Ohio, 23% were Negotiable Certificates of Deposit, 13% were FNMA, and the remaining 4% were in other investments.

Custodial Credit Risk – The City's balance of investments are held by the trust department of its banking institution in the City's name. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2013 were levied after October 1, 2012 on assessed values as of January 1, 2012, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Newark. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2013 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2013 levy was based was \$811,606,160. This amount constitutes \$783,958,630 in real property assessed value and \$27,647,530 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .37% (3.70 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.75% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of 1.00% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2013 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues.

NOTE 7 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2013:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$46,820	\$2,868,072
Capital Improvement Fund	1,175,631	0
Other Governmental Funds	<u>1,808,857</u>	<u>196,986</u>
Total Governmental Funds	3,031,308	3,065,058
Water Fund	18,883	11,141
Sewer Fund	82,573	834,329
Storm Water Fund	<u>834,329</u>	<u>56,565</u>
Total Proprietary Funds	935,785	902,035
Total Transfers In	<u>\$3,967,093</u>	<u>\$3,967,093</u>
Transfers out of Proprietary Funds to Governmental Activities Capital Assets		<u>525,501</u>
		<u>\$4,492,594</u>

Transfers for the year ended December 31, 2013 included a \$1,148,131 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$1,444,688 was transferred from the General Fund to the Debt Service Fund for debt payments. Transfers from Other Governmental funds of \$196,986 were the result of closing out funds and the reclass of debt retirement. Transfers out of the Water Fund in the amount of \$11,141 and the Storm Water Fund in the amount of \$56,565 were the result of a reclass of debt retirement. During 2013 the Water Fund and Sewer Fund contributed \$255,348 and \$270,153 of capital assets to Governmental Activities, respectively. In addition, the Sewer Fund contributed \$834,329 of capital assets to the Storm Water Fund. All transfers were made in accordance with Ohio Revised Code.

B. Interfund Receivables/Payables

The following is a summary of interfund loans receivable and payable for all funds for 2013:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$15,743	\$0
Other Governmental Funds	<u>0</u>	<u>15,743</u>
Totals	<u>\$15,743</u>	<u>\$15,743</u>

These Interfund Loans are short-term loans to cover a temporary cash deficit.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2013:

Historical Cost:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
Capital assets not being depreciated:				
Land	\$20,109,460	\$0	(\$49,634)	\$20,059,826
Construction in Progress	0	1,112,555	0	1,112,555
Sub-Total	20,109,460	1,112,555	(49,634)	21,172,381
Capital assets being depreciated:				
Buildings	17,894,688	0	0	17,894,688
Improvements Other than Buildings	5,086,333	0	(754,711)	4,331,622
Infrastructure	61,074,578	4,515,219	(802,071)	64,787,726
Machinery and Equipment	9,702,978	223,209	(126,303)	9,799,884
Total Cost	\$113,868,037	\$5,850,983	(\$1,732,719)	\$117,986,301
Accumulated Depreciation:				
Class	December 31, 2012	Additions	Deletions	December 31, 2013
Buildings	(\$6,294,858)	(\$363,768)	\$0	(\$6,658,626)
Improvements Other than Buildings	(3,909,636)	(94,057)	641,868	(3,361,825)
Infrastructure	(35,210,131)	(1,704,612)	546,484	(36,368,259)
Machinery and Equipment	(7,009,464)	(560,751)	126,303	(7,443,912)
Total Depreciation	(\$52,424,089)	(\$2,723,188) *	\$1,314,655	(\$53,832,622)
Net Value:	\$61,443,948			\$64,153,679

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$477,084
Leisure Time Activities	53,561
Community Environment	36,959
Transportation	1,868,496
General Government	287,088
Total Depreciation Expense	\$2,723,188

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2013:

Historical Cost:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
Capital assets not being depreciated:				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	24,266,708	10,741,792	(24,539,184)	10,469,316
Sub-Total	24,428,508	10,741,792	(24,539,184)	10,631,116
Capital assets being depreciated:				
Buildings and Improvements	36,330,185	21,889,306	(128,357)	58,091,134
Infrastructure	15,088,096	2,299,173	(390,087)	16,997,182
Machinery and Equipment	30,880,471	52,784	(982,129)	29,951,126
Total Cost	\$106,727,260	\$34,983,055	(\$26,039,757)	\$115,670,558
Accumulated Depreciation:				
Class	December 31, 2012	Additions	Deletions	December 31, 2013
Buildings and Improvements	(\$14,416,502)	(\$1,039,368)	\$122,604	(\$15,333,266)
Infrastructure	(4,234,921)	(223,873)	239,996	(4,218,798)
Machinery and Equipment	(29,717,405)	(201,987)	944,920	(28,974,472)
Total Depreciation	(\$48,368,828)	(\$1,465,228)	\$1,307,520	(\$48,526,536)
Net Value:	\$58,358,432			\$67,144,022

NOTE 9 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (“OPERS”)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2013, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2013 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 13.0% for calendar year 2013. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2013, 2012, and 2011 were \$1,318,637, \$992,777 and \$1,009,776, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2013 were \$61,596 made by the City and \$43,997 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164, by calling (614) 228-2975, or by visiting www.op-f.org.

From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.0% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, employers were required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions used to fund pension obligations from January 1, 2013 through May 31, 2013 was 14.81% for police officers and 19.31% for firefighters. The portion of employer contributions used to fund pension obligations from June 1, 2013 through December 31, 2013 was 16.65% for police officers and 21.15% for firefighters. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2013, 2012, and 2011 were \$722,301, \$589,870 and \$574,601 for police officers and \$1,014,554, \$862,588 and \$874,598 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 1.0% for calendar year 2013. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2013, 2012, and 2011 were \$101,434, \$402,063 and \$403,910, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2013, the portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013 for both police officers and firefighters.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)

The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions for health care to the OP&F for the years ending December 31, 2013, 2012, and 2011 were \$164,469, \$312,284 and \$303,994 for police and \$180,015, \$337,534 and \$341,811 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Balance January 1, 2013	Issued	(Retired)	Balance December 31, 2013
Special Revenue Fund Notes Payable:				
1.500% Landfill Reclamation	\$0	\$250,000	\$0	\$250,000
Capital Projects Fund Notes Payable:				
1.250% Downtown Fire Station	1,150,000	0	(1,150,000)	0
1.000% Downtown Fire Station	0	2,100,000	0	2,100,000
1.250% City Hall Parking Deck	250,000	0	(250,000)	0
1.000% City Hall Parking Deck	0	300,000	0	300,000
1.250% Service Complex Roof	200,000	0	(200,000)	0
1.000% Service Complex Roof	0	200,000	0	200,000
1.250% South Second Street Bridge	600,000	0	(600,000)	0
1.000% South Second Street Bridge	0	600,000	0	600,000
Total Capital Projects Fund Notes Payable	<u>2,200,000</u>	<u>3,200,000</u>	<u>(2,200,000)</u>	<u>3,200,000</u>
Total Notes Payable	<u>\$2,200,000</u>	<u>\$3,450,000</u>	<u>(\$2,200,000)</u>	<u>\$3,450,000</u>

CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2013 were as follows:

			Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	4.0%-4.25%	2028	\$2,150,000	\$0	(\$100,000)	\$2,050,000	\$100,000
East Main Street Bridge	4.50%	2021	900,000	0	(100,000)	800,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	8,379,991	0	(355,000)	8,024,991	370,000
Police and Fire Facilities	1.0%-4.00%	2030	835,000	0	(35,000)	800,000	40,000
Ice Arena Renovations	1.0%-4.00%	2030	215,000	0	(10,000)	205,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020	460,000	0	(55,000)	405,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	930,000	0	(55,000)	875,000	55,000
Landfill Reclamation	1.90%-5.00%	2031	1,170,000	0	(45,000)	1,125,000	45,000
			15,039,991	0	(755,000)	14,284,991	775,000
Interest Accretion			478,518	90,694	0	569,212	0
Total General Obligation Bonds			15,518,509	90,694	(755,000)	14,854,203	775,000
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements	3.00%	2018	1,863,165	52,516	(263,701)	1,651,980	280,592
Ohio Public Works							
Commission Loan (OPWC):							
West Church Street Bridge	0.00%	2034	0	600,000	0	600,000	0
Capital Leases			1,794,187	73,900	(470,689)	1,397,398	491,870
Worker's Compensation Retrospective Liability			0	115,831	0	115,831	33,467
Accrued Pension Liability			1,797,224	0	(49,134)	1,748,090	51,244
Compensated Absences Payable			3,224,428	1,060,904	(1,018,129)	3,267,203	1,174,946
Total Governmental Activities			\$24,197,513	\$1,993,845	(\$2,556,653)	\$23,634,705	\$2,807,119

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

			Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013	Amount Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$3,593,626	\$0	(\$686,920)	\$2,906,706	\$650,176
Interest Accretion			3,915,184	395,011	(803,080)	3,507,115	0
			7,508,810	395,011	(1,490,000)	6,413,821	650,176
Storm Water Improvement	2.50%-5.50%	2034	1,665,000	0	(45,000)	1,620,000	50,000
Storm Water Improvement	1.70%-5.25%	2030	1,360,000	0	(55,000)	1,305,000	55,000
Various Purpose	1.00%-3.00%	2032	4,650,000	0	(190,000)	4,460,000	205,000
Total General Obligation Bonds			15,183,810	395,011	(1,780,000)	13,798,821	960,176
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	10,260	0	(5,128)	5,132	5,132
Ohio Water Development							
Authority Loans (OWDA):							
Sewer Improvements	7.00%	2013	506,520	0	(506,520)	0	0
Licking River Interceptor Construction	3.25%	2026	2,008,647	0	(115,374)	1,893,273	119,154
Stormwater Utility Planning	3.36%	2028	632,973	0	(50,497)	582,476	52,208
Wastewater Electrical Improvements	0.61%	2027	2,168,148	0	(138,463)	2,029,685	139,308
Wastewater High Rate Treatment System	4.67%	2031	13,631,690	384,403	(526,660)	13,489,433	0
CSO Sewer Separation	3.36%	2028	804,847	0	(18,677)	786,170	19,310
Water Plant Generator	3.53%	2030	991,104	0	(40,893)	950,211	0
CSO Sewer Separation	3.25%	2031	1,947,295	0	(95,056)	1,852,239	0
Automated Meter Reading	3.53%	2031	2,112,793	0	(35,859)	2,076,934	73,759
CSO Sewer Separation 1030	2.45%	2033	2,177,990	298,460	(53,292)	2,423,158	0
Raccoon Creek Interceptor	2.64%	2033	176,814	4,849,769	0	5,026,583	0
Aeration System Modifications	2.48%	2034	0	1,520,110	0	1,520,110	0
Total OWDA Loans			27,158,821	7,052,742	(1,581,291)	32,630,272	403,739
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2026	412,275	0	(28,433)	383,842	28,433
Sewer Improvements	0.00%	2022	43,177	0	(4,318)	38,859	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	35,851	0	(3,259)	32,592	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	419,519	0	(33,561)	385,958	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	0	832,090	0	832,090	41,604
Total OPWC Loans			910,822	832,090	(69,571)	1,673,341	111,175
Capital Leases			230,049	135,672	(80,062)	285,659	82,967
Compensated Absences			641,529	206,874	(225,105)	623,298	269,835
Total Business-Type Activities			\$44,135,291	\$8,622,389	(\$3,741,157)	\$49,016,523	\$1,833,024

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2013, \$5,132, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2013 was \$2,681,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,748,090 is included in the Government-wide Statement of Net Position.

The East Main Street Improvement Bonds are tax increment financing bonds issued in 1999 in the amount of \$3.5 million and were used for updating and installing a sanitary sewer, road improvements, street lighting and traffic control and flood control improvements.

The East Main Street Bridge bond was issued in 2006 in the amount of \$1.6 million for the rehabilitation of the East Main Street Bridge.

The Police and Fire facilities bonds were issued in 2003 in the amount of \$11 million to provide for the construction of state of the art police and fire buildings. In 2010, \$905,000 of additional bonds were issued to fund cost overruns for this project.

The Deo Drive Improvement bonds were issued in 2008 in the amount of \$1.2 million to provide for improvements to Deo Drive.

The Ice Arena Renovation bonds were issued in 2010 in the amount of \$235,000 to provide funding for remodeling and mechanical upgrades to a City owned ice arena.

The Landfill Reclamation bonds were issued in 2011 in the amount of \$1.2 million to provide for pollution remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit.

The construction of Evans Boulevard was financed through the issuance of \$570,000 of bonds issued in 2010. Evans Boulevard provides access to new school buildings constructed on the City's northwest side.

The Ohio Department of Transportation State Infrastructure Bank Loan will be used for improvements to Waterworks Road. The total loan amount of \$3 million will be paid back over a ten year period at a rate of 3%. This loan is received in increments as the project is completed. The future principal and interest payments presented for this loan are based on a preliminary debt repayment schedule, and amounts will change as additional loan proceeds are received.

The Water System bonds were issued in 1993 in the amount of \$19 million to provide for improvements to the City's water treatment plant.

Storm Water Improvement bonds were issued in 2009 in the amount of \$1.8 million and in 2011 in the amount of \$1.5 million to provide for storm water improvements in the McKinley and Garfield Road area.

In 2012, \$4,650,000 of general obligation various purpose bonds were issued for multiple projects consisting of the installation of water lines, sewer lines, and storm drains as well as the continuation of the City's combined sewer overflow separation project.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans

In 2006 the City obtained financing through the Ohio Public Works Commission for construction of an interceptor on the Licking River in the amount of \$568,655 at an interest rate of 0%.

In 2002 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements in the amount of \$86,356 at an interest rate of 0%.

In 2003 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements at Idlewilde Park in the amount of \$65,181 at an interest rate of 0%. In 2005, an additional \$671,227 was financed for the second phase of sewer improvements at Idlewilde Park.

In 2013 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements on Channel Street and Postal Avenue in the amount of \$832,090 at an interest rate of 0%.

In 2013 the City obtained financing through the Ohio Public Works Commission for improvements to the West Church Street Bridge in the amount of \$600,000 at an interest rate of 0%. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

Sewer Treatment Plant - In 1986, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of the wastewater treatment plant. The interest rate on the loan is 7.00%, per annum and is payable from wastewater collection and treatment charges.

Licking River Interceptor Construction - In 2006 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on the Licking River. The interest rate on the loan is 3.25% per annum and is payable from wastewater collection and treatment charges. This project was additionally financed by an Ohio Public Works Commission Loan in the amount of \$568,655 at an interest rate of 0%.

Storm Water Utility Planning - In 2005, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water utility planning. The interest rate on the loan is 3.36%, per annum and is payable from storm water charges.

Sewer Treatment Plant Electrical Improvements - In 2006, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for electrical improvements at the wastewater treatment plant. The interest rate on the loan is 0.61%, per annum and is payable from wastewater collection and treatment charges.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans
(Continued)

Wastewater High Rate Treatment System - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$19,487,463 from OWDA. In total, \$5,000,000 of the loan balance has been forgiven through American Recovery and Reinvestment Act monies received. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

Combined Sewer Overflow (CSO) Separation - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The interest rate on the loan is 3.36%, per annum. This loan is payable from wastewater collection and treatment charges.

Water Plant Generator - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$1,068,718 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

Combined Sewer Overflow (CSO) Separation - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$2,039,335 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans
(Continued)

Automated Meter Reading - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for an automated meter reading system. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges.

Combined Sewer Overflow (CSO) Separation - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.45%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$2,476,450 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

Raccoon Creek Interceptor - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on Raccoon Creek. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.64%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$5,026,583 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

Aeration System Modifications - In 2013 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for upgrades to the aeration system at the wastewater treatment plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.48%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2013, the City had received \$1,520,110 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2013 the loan has not been finalized and there is no amortization schedule for the loan.

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

B. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2013 follows:

Years	Governmental Activities					
	General Obligation Bonds		Accrued Pension Liability		ODOT SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$775,000	\$612,219	\$51,244	\$73,756	\$280,592	\$47,471
2015	501,476	878,161	53,446	71,554	289,074	38,990
2016	506,285	874,898	55,742	69,258	297,809	30,253
2017	512,230	869,641	58,136	66,864	306,812	21,252
2018	830,000	541,097	60,632	64,368	316,085	11,977
2019-2023	4,230,000	2,164,225	344,540	280,460	161,608	2,424
2024-2028	4,510,000	1,204,100	425,166	199,834	0	0
2029-2033	2,420,000	229,514	524,662	100,338	0	0
2034-2035	0	0	174,522	7,352	0	0
Totals	\$14,284,991	\$7,373,855	\$1,748,090	\$933,784	\$1,651,980	\$152,367

Years	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest
2014	\$960,176	\$1,079,169	\$5,132	\$244
2015	934,800	1,110,304	0	0
2016	853,959	1,180,130	0	0
2017	820,780	1,219,598	0	0
2018	846,991	1,194,496	0	0
2019-2023	1,780,000	946,170	0	0
2024-2028	2,100,000	638,319	0	0
2029-2033	1,870,000	226,766	0	0
2034-2035	125,000	6,876	0	0
Totals	\$10,291,706	\$7,601,828	\$5,132	\$244

Years	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
	2014	\$403,739	\$195,744	\$111,175
2015	413,724	185,758	111,176	0
2016	424,030	175,450	111,176	0
2017	434,673	164,810	111,176	0
2018	445,656	153,824	111,176	0
2019-2023	2,405,968	591,442	551,560	0
2024-2028	2,219,580	266,896	357,879	0
2029-2033	621,168	60,003	208,023	0
Totals	\$7,368,538	\$1,793,927	\$1,673,341	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Defeasance of General Obligation Debt

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 (the "1993 Bond") through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$6,430,000 at December 31, 2013 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 (the "1999 Bonds") through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds (the "2006 Bonds"). The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,310,000 at December 31, 2013 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 13 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$3,230,563, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Position. The original cost of equipment of \$625,475 and the related liability reported as Business Type Activities capital leases are reported on the Government – wide Statement of Net Position as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2013:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2014	\$543,894	\$92,889
2015	415,214	92,889
2016	389,731	92,889
2017	<u>153,851</u>	<u>28,151</u>
Minimum Lease Payments	1,502,690	306,818
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(105,292)</u>	<u>(21,159)</u>
Present value of minimum lease payments	<u>\$1,397,398</u>	<u>\$285,659</u>

NOTE 14 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

A. Shared Risk Pool

The City of Newark is a participant in the Public Entities Pool of Ohio (the “PEP Pool”). The PEP Pool was established in 1987 and is administered under contract by the American Risk Pooling Consultants, Inc. (ARPCO) to provide a program of property and casualty insurance for its Member organizations throughout the State of Ohio.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Shared Risk Pool (Continued)

The Pool's general objectives are to provide Members with broader coverage than is available in the conventional insurance marketplace and provide coverage on a basis that will allow Members to level costs and accurately budget over a long period of time. Members of the Pool may withdraw coverage upon 60 days written notice to ARPCO prior to their renewal date by certified return receipt mail. Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on their exposures and rates established by the Pool using anticipated and actual results of operation for the various coverage's provided.

The City of Newark obtained insurance coverage from the Pool for losses relating to General liability, Law Enforcement liability, Public Officials liability, Auto liability/Physical Damage, and Property coverage.

To protect the Pool against the unexpected, the Pool has joined with other public entity pools as a participant in the American Public Entity Excess Pool. This contractual relationship spreads the effects of any loss in excess of \$350,000 for casualty claims and \$150,000 for property losses and additionally guarantees funds to the Pool in the unlikely event that the Pool's funds are exhausted in any year.

The joint reinsurance arrangement that the Pool has entered into is well structured and has adequate funds to meet the needs of the Pool. Property coverage's are reinsured by The Travelers.

The City of Newark carries commercial insurance coverage for all other risks, including but not limited to Property, Boiler and Machinery, Crime, and Auto. There have been no reductions in insurance coverage's from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage's in any of the past three fiscal years.

The City participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. The plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured. The plan is administered by Comp Management Inc. Payments are made directly to the BWC for actual claims processed. The City's General Fund pays for all claims, claim reserves and administrative costs of the program.

B. Self Insurance

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$100,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, MedBen which monitors all claim payments. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents. Employees that are members of the AFSCME Union obtain dental coverage through the AFSCME organization.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability for unpaid claims cost of \$402,611 is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience.

Changes in the fund's claims liability in 2012 and 2013 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2012	\$336,061	\$6,632,890	(\$6,506,360)	\$462,591
2013	462,591	4,538,244	(4,598,224)	402,611

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 16 - SIGNIFICANT COMMITMENTS

A. Contractual Commitments

The City had the following significant contractual commitments at December 31, 2013:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Raccoon Creek Interceptor	\$1,421,061	2014
Aeration Modification Project	562,381	2014
Downtown Sewers	15,000,000	2015

B. Encumbrance Commitments

At December 31, 2013 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$465,831
Community Development Fund	73,080
Capital Improvement Fund	237,846
Other Governmental Funds	835,419
Total Governmental Funds	<u>\$1,612,176</u>

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY
FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Street Department Fund

To account for revenues derived from the regular motor vehicle license fee and 92.55% of the fuel taxes. Expenditures are used for City street construction, maintenance and repair.

Cemetery Fund

To account for monies received from the sale of lots and performance of any other service in or about the cemeteries operated by the City.

Special Improvement District Fund

To account for funds received through a voluntary assessment for improvements to properties located on the downtown square. (The Balance Sheet is not presented because there are no assets or liabilities at yearend.)

Veterans Memorial Sidewalk Fund

To account for funds collected for the construction of the Veteran's Sidewalk. The public purchases a brick, has it engraved with the veteran's name and the war in which they served. These bricks are then ceremoniously placed in the Veterans Memorial Sidewalk.

American Recovery and Reinvestment Act/

Housing and Economic Recovery Act (ARRA/HERA) Fund

To account for funds received through the American Recovery and Reinvestment Act of 2009 (ARRA) and Housing and Economic Recovery Act of 2008 (HERA) including the Neighborhood Stabilization Act (NSP). (The Balance Sheet is not presented because there are no assets or liabilities at yearend.)

Safety Grants Fund

To account for expenses of various Block Grant funds designated for the safety and security of City residents.

Police/Fire Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police and fire disability and pension.

(Continued)

Special Revenue Funds

State Highway Fund

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

Law Enforcement Fund

To account for funds received by the police department for contraband, per state statute.

Landfill Reclamation Fund

To account for costs associated with remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit.

Court Computerization Fund

To account for revenues from fines to be used for computers and upgrading court computer functions.

Permissive License Tax Fund

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

Probation Grant Fund

To account for funds from State Justice Grants used to operate the Adult Probation Department. The Probation Department is an instrument whose purpose is to aid in the elimination of overcrowding problems in the county jail.

Federal Transit Administration (FTA) Fund

To account for grants providing funding for the Taxi Token Program. This program provides discounted transportation for citizens. Additional programs include a handicap accessible bus as well as other public transit application.

Ohio Department of Natural Resources (ODNR) Grants Fund

This fund accounted for grants used for bike path improvements as well as improvements to City parks.

FEMA Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects. (The Balance Sheet is not presented because there are no assets or liabilities at yearend.)

(Continued)

Special Revenue Funds

Mary E. Barnes Trust Fund

To account for the funds and investment earnings as stipulated in the bequest. Monies must be used for the Fire Department. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Brownfield Cleanup Fund

To account for monies from the Environmental Protection Agency to be used for cleanup at the site of an abandoned factory.

Judicial Fund

To account for court costs to be set aside and used for judicial purposes.

Debt Service Funds

The Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

Debt Service Fund

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Tax Increment Financing Fund

To account for payments received in lieu of taxes to be used for the retirement of debt issued to finance projects in designated tax increment financing districts.

(Continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than that financed by proprietary funds.

Local Public Agency (LPA) Projects Fund

To account for Local Public Agency funds received through the state of Ohio for transportation infrastructure projects. (The Balance Sheet is not presented because there are no assets or liabilities at yearend.)

Court Capital Improvement Fund

To account for the revenues and expenditures designated for the capital improvements made to Municipal Court facilities.

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 2,908,813	\$ 1,135,564	\$ 360,277	\$ 4,404,654
Investments	75,000	0	0	75,000
Receivables:				
Taxes	476,132	600,500	0	1,076,632
Accounts	30,034	0	1,640	31,674
Intergovernmental	1,948,299	0	0	1,948,299
Inventory of Supplies, at Cost	187,475	0	0	187,475
Restricted Assets:				
Cash and Cash Equivalents	240,885	0	0	240,885
Cash and Cash Equivalents with Fiscal Agent	26,333	0	0	26,333
Investments	627,500	0	0	627,500
Investments with Fiscal Agent	472,546	0	0	472,546
Total Assets	\$ 6,993,017	\$ 1,736,064	\$ 361,917	\$ 9,090,998
Liabilities:				
Accounts Payable	\$ 52,222	\$ 0	\$ 0	\$ 52,222
Accrued Wages and Benefits Payable	180,395	0	0	180,395
Intergovernmental Payable	155,982	0	0	155,982
Interfund Loans Payable	15,743	0	0	15,743
Accrued Interest Payable	2,511	0	0	2,511
General Obligation Notes Payable	250,000	0	0	250,000
Total Liabilities	656,853	0	0	656,853
Deferred Inflows of Resources:				
Unavailable Amounts	1,403,640	0	0	1,403,640
Property Tax Levy for Next Fiscal Year	435,906	600,500	0	1,036,406
Total Deferred Inflows of Resources	1,839,546	600,500	0	2,440,046
Fund Balance:				
Nonspendable	187,475	0	0	187,475
Restricted	4,315,068	1,135,564	361,917	5,812,549
Unassigned	(5,925)	0	0	(5,925)
Total Fund Balance	4,496,618	1,135,564	361,917	5,994,099
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 6,993,017	\$ 1,736,064	\$ 361,917	\$ 9,090,998

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 413,438	\$ 662,390	\$ 0	\$ 1,075,828
Intergovernmental Revenues	4,988,247	0	0	4,988,247
Charges for Services	15,108	0	0	15,108
Investment Earnings	83,186	0	0	83,186
Special Assessments	118	6,725	0	6,843
Fines and Forfeitures	449,485	0	23,779	473,264
All Other Revenue	245,503	2,669	0	248,172
Total Revenue	6,195,085	671,784	23,779	6,890,648
Expenditures:				
Current:				
Security of Persons and Property	1,894,464	0	0	1,894,464
Public Health and Welfare Services	119,440	0	0	119,440
Community Environment	56,047	0	0	56,047
Transportation	3,433,453	0	0	3,433,453
General Government	180,019	254,358	0	434,377
Capital Outlay	0	0	56,237	56,237
Debt Service:				
Principal Retirement	0	1,018,701	0	1,018,701
Interest and Fiscal Charges	2,511	693,061	0	695,572
Total Expenditures	5,685,934	1,966,120	56,237	7,708,291
Excess (Deficiency) of Revenues Over (Under) Expenditures	509,151	(1,294,336)	(32,458)	(817,643)
Other Financing Sources (Uses):				
Loan Issuance	0	0	52,516	52,516
Transfers In	364,169	1,444,688	0	1,808,857
Transfers Out	(141,928)	(33,116)	(21,942)	(196,986)
Total Other Financing Sources (Uses)	222,241	1,411,572	30,574	1,664,387
Net Change in Fund Balance	731,392	117,236	(1,884)	846,744
Fund Balance at Beginning of Year	3,809,102	1,018,328	363,801	5,191,231
Decrease in Inventory	(43,876)	0	0	(43,876)
Fund Balance End of Year	\$ 4,496,618	\$ 1,135,564	\$ 361,917	\$ 5,994,099

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013**

	Street Department	Cemetery	Veterans Memorial Sidewalk	Safety Grants
Assets:				
Pooled Cash and Investments	\$ 298,105	\$ 171,827	\$ 7,995	\$ 7,552
Investments	0	0	75,000	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	840,161	0	0	281,435
Inventory of Supplies, at Cost	187,475	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	7,884	0	0
Cash and Cash Equivalents with Fiscal Agent	0	16,517	0	0
Investments	0	627,500	0	0
Investments with Fiscal Agent	0	309,766	0	0
Total Assets	\$ 1,325,741	\$ 1,133,494	\$ 82,995	\$ 288,987
Liabilities:				
Accounts Payable	\$ 2,948	\$ 0	\$ 0	\$ 10,020
Accrued Wages and Benefits Payable	158,532	0	0	0
Intergovernmental Payable	0	0	0	154,042
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	161,480	0	0	164,062
Deferred Inflows of Resources:				
Unavailable Amounts	560,107	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	560,107	0	0	0
Fund Balance:				
Nonspendable	187,475	0	0	0
Restricted	416,679	1,133,494	82,995	124,925
Unassigned	0	0	0	0
Total Fund Balance	604,154	1,133,494	82,995	124,925
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,325,741	\$ 1,133,494	\$ 82,995	\$ 288,987

CITY OF NEWARK, OHIO

<u>Police/Fire Pension</u>	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Landfill Reclamation</u>	<u>Court Computerization</u>	<u>Permissive License Tax</u>
\$ 8,780	\$ 1,182	\$ 79,901	\$ 420,178	\$ 355,263	\$ 314,932
0	0	0	0	0	0
476,132	0	0	0	0	0
0	0	4,232	0	14,135	0
25,529	68,121	345	0	0	288,945
0	0	0	0	0	0
0	0	0	0	0	233,001
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 510,441</u>	<u>\$ 69,303</u>	<u>\$ 84,478</u>	<u>\$ 420,178</u>	<u>\$ 369,398</u>	<u>\$ 836,878</u>
\$ 0	\$ 0	\$ 2,460	\$ 0	\$ 9,700	\$ 20,803
0	0	0	0	4,509	0
0	0	900	0	0	0
0	0	0	0	0	0
0	0	0	2,511	0	0
0	0	0	250,000	0	0
<u>0</u>	<u>0</u>	<u>3,360</u>	<u>252,511</u>	<u>14,209</u>	<u>20,803</u>
65,755	45,414	0	0	0	425,631
<u>435,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>501,661</u>	<u>45,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>425,631</u>
0	0	0	0	0	0
8,780	23,889	81,118	167,667	355,189	390,444
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>8,780</u>	<u>23,889</u>	<u>81,118</u>	<u>167,667</u>	<u>355,189</u>	<u>390,444</u>
<u>\$ 510,441</u>	<u>\$ 69,303</u>	<u>\$ 84,478</u>	<u>\$ 420,178</u>	<u>\$ 369,398</u>	<u>\$ 836,878</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013**

	Probation Grant	Federal Transit Administration	ODNR Grants	Mary E. Barnes Trust
Assets:				
Pooled Cash and Investments	\$ 32,251	\$ 60,269	\$ 38,028	\$ 0
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	285	0	0
Intergovernmental	429,516	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	9,816
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	162,780
Total Assets	\$ 461,767	\$ 60,554	\$ 38,028	\$ 172,596
Liabilities:				
Accounts Payable	\$ 990	\$ 268	\$ 0	\$ 0
Accrued Wages and Benefits Payable	17,354	0	0	0
Intergovernmental Payable	1,040	0	0	0
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	19,384	268	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	306,733	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	306,733	0	0	0
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	135,650	60,286	38,028	172,596
Unassigned	0	0	0	0
Total Fund Balance	135,650	60,286	38,028	172,596
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 461,767	\$ 60,554	\$ 38,028	\$ 172,596

CITY OF NEWARK, OHIO

Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 1,112,550	\$ 2,908,813
0	0	75,000
0	0	476,132
0	11,382	30,034
14,247	0	1,948,299
0	0	187,475
0	0	240,885
0	0	26,333
0	0	627,500
0	0	472,546
<u>\$ 14,247</u>	<u>\$ 1,123,932</u>	<u>\$ 6,993,017</u>
\$ 4,429	\$ 604	\$ 52,222
0	0	180,395
0	0	155,982
15,743	0	15,743
0	0	2,511
0	0	250,000
<u>20,172</u>	<u>604</u>	<u>656,853</u>
0	0	1,403,640
0	0	435,906
0	0	1,839,546
0	0	187,475
0	1,123,328	4,315,068
(5,925)	0	(5,925)
<u>(5,925)</u>	<u>1,123,328</u>	<u>4,496,618</u>
<u>\$ 14,247</u>	<u>\$ 1,123,932</u>	<u>\$ 6,993,017</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,771,166	0	0	0
Charges for Services	0	3,451	0	0
Investment Earnings	0	63,675	0	575
Special Assessments	0	0	118	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	57,977	0	0	1,450
Total Revenue	<u>1,829,143</u>	<u>67,126</u>	<u>118</u>	<u>2,025</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	39,364	0	0
Community Environment	0	0	5,271	0
Transportation	1,968,154	0	0	0
General Government	0	0	0	6,559
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>1,968,154</u>	<u>39,364</u>	<u>5,271</u>	<u>6,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,011)	27,762	(5,153)	(4,534)
Other Financing Sources (Uses):				
Transfers In	88,916	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>88,916</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(50,095)	27,762	(5,153)	(4,534)
Fund Balance at Beginning of Year	698,125	1,105,732	5,153	87,529
Decrease in Inventory	(43,876)	0	0	0
Fund Balance End of Year	<u>\$ 604,154</u>	<u>\$ 1,133,494</u>	<u>\$ 0</u>	<u>\$ 82,995</u>

CITY OF NEWARK, OHIO

<u>ARRA/HERA</u>	<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Landfill Reclamation</u>
\$ 0	\$ 0	\$ 413,438	\$ 0	\$ 0	\$ 0
153,401	794,105	67,928	143,608	18,024	0
0	0	0	0	0	0
0	0	0	0	0	90
0	0	0	0	0	0
0	0	0	0	81,678	0
0	0	0	0	40	0
<u>153,401</u>	<u>794,105</u>	<u>481,366</u>	<u>143,608</u>	<u>99,742</u>	<u>90</u>
0	829,513	472,586	0	147,359	0
0	0	0	0	0	0
49,776	0	0	0	0	0
0	0	0	142,000	0	0
0	0	0	0	0	26,551
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,511</u>
<u>49,776</u>	<u>829,513</u>	<u>472,586</u>	<u>142,000</u>	<u>147,359</u>	<u>29,062</u>
103,625	(35,408)	8,780	1,608	(47,617)	(28,972)
0	225,224	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>225,224</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
103,625	189,816	8,780	1,608	(47,617)	(28,972)
(103,625)	(64,891)	0	22,281	128,735	196,639
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 124,925</u>	<u>\$ 8,780</u>	<u>\$ 23,889</u>	<u>\$ 81,118</u>	<u>\$ 167,667</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Court Computerization	Permissive License Tax	Probation Grant	Federal Transit Administration
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	834,348	471,634	423,892
Charges for Services	0	0	0	11,657
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	204,220	0	0	0
All Other Revenue	0	30,853	8	6,919
Total Revenue	204,220	865,201	471,642	442,468
Expenditures:				
Current:				
Security of Persons and Property	0	0	445,006	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	1,080,501	0	242,798
General Government	138,542	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	138,542	1,080,501	445,006	242,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,678	(215,300)	26,636	199,670
Other Financing Sources (Uses):				
Transfers In	0	0	12,000	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	12,000	0
Net Change in Fund Balance	65,678	(215,300)	38,636	199,670
Fund Balance at Beginning of Year	289,511	605,744	97,014	(139,384)
Decrease in Inventory	0	0	0	0
Fund Balance End of Year	\$ 355,189	\$ 390,444	\$ 135,650	\$ 60,286

CITY OF NEWARK, OHIO

ODNR Grants	FEMA	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 413,438
1,000	0	0	309,141	0	4,988,247
0	0	0	0	0	15,108
0	0	18,846	0	0	83,186
0	0	0	0	0	118
0	0	0	0	163,587	449,485
4,828	141,928	0	0	1,500	245,503
<u>5,828</u>	<u>141,928</u>	<u>18,846</u>	<u>309,141</u>	<u>165,087</u>	<u>6,195,085</u>
0	0	0	0	0	1,894,464
0	0	0	80,076	0	119,440
1,000	0	0	0	0	56,047
0	0	0	0	0	3,433,453
0	0	0	0	8,367	180,019
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,511</u>
<u>1,000</u>	<u>0</u>	<u>0</u>	<u>80,076</u>	<u>8,367</u>	<u>5,685,934</u>
4,828	141,928	18,846	229,065	156,720	509,151
38,029	0	0	0	0	364,169
0	(141,928)	0	0	0	(141,928)
<u>38,029</u>	<u>(141,928)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>222,241</u>
42,857	0	18,846	229,065	156,720	731,392
(4,829)	0	153,750	(234,990)	966,608	3,809,102
0	0	0	0	0	(43,876)
<u>\$ 38,028</u>	<u>\$ 0</u>	<u>\$ 172,596</u>	<u>\$ (5,925)</u>	<u>\$ 1,123,328</u>	<u>\$ 4,496,618</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 699,446	\$ 436,118	\$ 1,135,564
Receivables:			
Taxes	0	600,500	600,500
Total Assets	<u>\$ 699,446</u>	<u>\$ 1,036,618</u>	<u>\$ 1,736,064</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	600,500	600,500
Total Deferred Inflows of Resources	<u>0</u>	<u>600,500</u>	<u>600,500</u>
Fund Balance:			
Restricted	699,446	436,118	1,135,564
Total Fund Balance	<u>699,446</u>	<u>436,118</u>	<u>1,135,564</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 699,446</u>	<u>\$ 1,036,618</u>	<u>\$ 1,736,064</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 662,390	\$ 662,390
Special Assessments	6,725	0	6,725
All Other Revenue	2,669	0	2,669
Total Revenue	<u>9,394</u>	<u>662,390</u>	<u>671,784</u>
Expenditures:			
Current:			
General Government	0	254,358	254,358
Debt Service:			
Principal Retirement	600,000	418,701	1,018,701
Interest and Fiscal Charges	512,706	180,355	693,061
Total Expenditures	<u>1,112,706</u>	<u>853,414</u>	<u>1,966,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,103,312)	(191,024)	(1,294,336)
Other Financing Sources (Uses):			
Transfers In	1,444,688	0	1,444,688
Transfers Out	(33,116)	0	(33,116)
Total Other Financing Sources (Uses)	<u>1,411,572</u>	<u>0</u>	<u>1,411,572</u>
Net Change in Fund Balance	308,260	(191,024)	117,236
Fund Balance at Beginning of Year	<u>391,186</u>	<u>627,142</u>	<u>1,018,328</u>
Fund Balance End of Year	<u>\$ 699,446</u>	<u>\$ 436,118</u>	<u>\$ 1,135,564</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013**

	LPA Projects	Court Capital Improvement	Total Nonmajor Capital Project Funds
Revenues:			
Fines and Forfeitures	\$ 0	\$ 23,779	\$ 23,779
Total Revenue	<u>0</u>	<u>23,779</u>	<u>23,779</u>
Expenditures:			
Capital Outlay	19,486	36,751	56,237
Total Expenditures	<u>19,486</u>	<u>36,751</u>	<u>56,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,486)	(12,972)	(32,458)
Other Financing Sources (Uses):			
Loan Issuance	52,516	0	52,516
Transfers Out	(21,942)	0	(21,942)
Total Other Financing Sources (Uses)	<u>30,574</u>	<u>0</u>	<u>30,574</u>
Net Change in Fund Balance	11,088	(12,972)	(1,884)
Fund Balance at Beginning of Year	<u>(11,088)</u>	<u>374,889</u>	<u>363,801</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 361,917</u>	<u>\$ 361,917</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 22,262,625	\$ 22,325,637	\$ 22,506,426	\$ 180,789
Intergovernmental Revenues	1,806,485	2,862,198	2,827,984	(34,214)
Charges for Services	1,972,025	1,988,250	1,988,917	667
Licenses, Permits and Fees	61,135	70,024	75,776	5,752
Investment Earnings	102,253	66,253	74,247	7,994
Fines and Forfeitures	1,500,500	1,374,958	1,351,175	(23,783)
All Other Revenue	205,268	460,554	481,305	20,751
Total Revenues	<u>27,910,291</u>	<u>29,147,874</u>	<u>29,305,830</u>	<u>157,956</u>
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Materials and Supplies	350	350	350	0
Contractual Services	42,000	44,230	42,963	1,267
Total Impound Lot	<u>42,350</u>	<u>44,580</u>	<u>43,313</u>	<u>1,267</u>
Police:				
Personal Services	7,574,161	7,540,719	7,446,274	94,445
Materials and Supplies	231,575	244,696	222,588	22,108
Contractual Services	415,625	473,447	444,516	28,931
Other Expenditures	500	0	0	0
Capital Outlay	12,500	64,248	64,248	0
Total Police	<u>8,234,361</u>	<u>8,323,110</u>	<u>8,177,626</u>	<u>145,484</u>
Fire:				
Personal Services	7,460,831	7,439,952	7,155,076	284,876
Materials and Supplies	192,800	277,230	256,514	20,716
Contractual Services	354,348	410,470	406,151	4,319
Other Expenditures	1,000	1,000	1,000	0
Capital Outlay	2,000	1,440	1,440	0
Total Fire	<u>8,010,979</u>	<u>8,130,092</u>	<u>7,820,181</u>	<u>309,911</u>
Total Security of Persons and Property	<u>16,287,690</u>	<u>16,497,782</u>	<u>16,041,120</u>	<u>456,662</u>

(Continued)

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	357,491	404,152	397,077	7,075
Materials and Supplies	44,250	53,259	53,258	1
Contractual Services	84,700	150,246	149,948	298
Other Expenditures	500	150	150	0
Total Parks and Cemetery	<u>486,941</u>	<u>607,807</u>	<u>600,433</u>	<u>7,374</u>
Hollander Pool:				
Materials and Supplies	0	2,019	2,019	0
Contractual Services	47,875	46,252	45,605	647
Total Hollander Pool	<u>47,875</u>	<u>48,271</u>	<u>47,624</u>	<u>647</u>
Babe Ruth Baseball:				
Materials and Supplies	7,350	7,304	6,929	375
Contractual Services	29,064	36,279	35,929	350
Capital Outlay	90	90	90	0
Total Babe Ruth Baseball	<u>36,504</u>	<u>43,673</u>	<u>42,948</u>	<u>725</u>
Total Leisure Time Activities	<u>571,320</u>	<u>699,751</u>	<u>691,005</u>	<u>8,746</u>
Community Environment:				
Code Administration:				
Personal Services	198,319	169,305	154,002	15,303
Materials and Supplies	2,000	2,500	2,213	287
Contractual Services	54,448	49,116	41,790	7,326
Other Expenditures	100	100	100	0
Capital Outlay	200	1,546	1,546	0
Total Community Environment	<u>255,067</u>	<u>222,567</u>	<u>199,651</u>	<u>22,916</u>
General Government:				
City Council:				
Personal Services	100,134	100,134	99,168	966
Total City Council	<u>100,134</u>	<u>100,134</u>	<u>99,168</u>	<u>966</u>
Clerk of Council:				
Personal Services	57,332	61,925	61,921	4
Materials and Supplies	500	676	676	0
Contractual Services	18,900	18,398	18,269	129
Total Clerk of Council	<u>76,732</u>	<u>80,999</u>	<u>80,866</u>	<u>133</u>

(Continued)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	168,598	169,512	169,512	0
Materials and Supplies	750	839	387	452
Contractual Services	12,425	11,511	10,125	1,386
Capital Outlay	2,000	3,418	1,418	2,000
Total Mayor	183,773	185,280	181,442	3,838
Auditor:				
Personal Services	389,471	391,494	391,373	121
Materials and Supplies	3,800	3,072	3,072	0
Contractual Services	145,340	184,816	159,359	25,457
Other Expenditures	0	106	106	0
Capital Outlay	500	0	0	0
Total Auditor	539,111	579,488	553,910	25,578
Treasurer:				
Contractual Services	0	3,402	3,402	0
Total Treasurer	0	3,402	3,402	0
Law Director:				
Personal Services	860,684	889,888	879,160	10,728
Materials and Supplies	7,000	5,569	4,569	1,000
Contractual Services	23,850	24,673	19,568	5,105
Capital Outlay	0	1,500	1,500	0
Total Law Director	891,534	921,630	904,797	16,833
Clerk of Courts:				
Personal Services	1,070,975	1,076,600	1,074,588	2,012
Materials and Supplies	23,000	27,001	22,485	4,516
Contractual Services	85,400	92,620	64,411	28,209
Other Expenditures	0	31	6	25
Total Clerk of Courts	1,179,375	1,196,252	1,161,490	34,762
Civil Service:				
Personal Services	0	234	234	0
Materials and Supplies	75	42	0	42
Contractual Services	41,200	39,598	35,836	3,762
Capital Outlay	0	1,635	1,635	0
Total Civil Service	41,275	41,509	37,705	3,804

(Continued)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Workers Compensation:				
Personal Services	61,135	60,635	30,755	29,880
Total Workers Compensation	61,135	60,635	30,755	29,880
Judiciary:				
Personal Services	660,473	674,367	674,367	0
Materials and Supplies	8,600	9,743	9,627	116
Contractual Services	54,530	69,690	68,906	784
Total Judiciary	723,603	753,800	752,900	900
Personnel:				
Personal Services	161,827	164,627	154,118	10,509
Materials and Supplies	1,500	1,000	1,000	0
Contractual Services	24,600	45,485	45,333	152
Capital Outlay	0	97	97	0
Total Personnel	187,927	211,209	200,548	10,661
Adult Probation:				
Personal Services	604,783	608,817	557,638	51,179
Materials and Supplies	11,500	11,591	11,436	155
Contractual Services	32,400	34,220	33,058	1,162
Total Adult Probation	648,683	654,628	602,132	52,496
Service Department:				
Personal Services	217,356	244,018	243,364	654
Materials and Supplies	5,500	7,934	6,374	1,560
Contractual Services	2,328,030	2,395,244	2,372,924	22,320
Other Expenditures	50,000	50,000	41,059	8,941
Capital Outlay	257,448	262,502	262,502	0
Total Service Department	2,858,334	2,959,698	2,926,223	33,475
Engineer Department:				
Personal Services	463,476	477,919	476,969	950
Materials and Supplies	8,000	6,730	5,889	841
Contractual Services	61,450	100,163	82,122	18,041
Capital Outlay	5,200	5,400	5,317	83
Total Engineer Department	538,126	590,212	570,297	19,915

(Continued)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Custodial:				
Personal Services	159,847	160,091	160,055	36
Materials and Supplies	3,750	3,982	3,724	258
Contractual Services	57,850	91,471	90,467	1,004
Total Custodial	221,447	255,544	254,246	1,298
Economic Development:				
Other Expenditures	0	36,218	36,218	0
Total Economic Development	0	36,218	36,218	0
Income Tax:				
Personal Services	824,100	753,380	753,380	0
Materials and Supplies	16,000	9,353	9,353	0
Contractual Services	133,273	117,459	117,459	0
Other Expenditures	500,000	432,469	432,461	8
Capital Outlay	10,000	5,959	5,959	0
Total Income Tax	1,483,373	1,318,620	1,318,612	8
Safety Director:				
Personal Services	162,261	163,043	161,176	1,867
Materials and Supplies	500	629	629	0
Contractual Services	333,995	339,535	318,660	20,875
Other Expenditures	8,600	8,600	6,422	2,178
Total Safety Director	505,356	511,807	486,887	24,920
Total General Government	10,239,918	10,461,065	10,201,598	259,467
Total Expenditures	27,353,995	27,881,165	27,133,374	747,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	556,296	1,266,709	2,172,456	905,747

(Continued)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	50,378	8,372	8,372	0
Transfers In	19,111,377	19,390,584	19,687,150	296,566
Transfers Out	(21,175,500)	(22,049,227)	(22,049,227)	0
Advances In	0	561,330	561,330	0
Advances Out	0	(15,743)	(15,743)	0
Total Other Financing Sources (Uses)	<u>(2,013,745)</u>	<u>(2,104,684)</u>	<u>(1,808,118)</u>	<u>296,566</u>
Net Change in Fund Balance	(1,457,449)	(837,975)	364,338	1,202,313
Fund Balance at Beginning of Year	2,048,588	2,048,588	2,048,588	0
Prior Year Encumbrances	317,266	317,266	317,266	0
Fund Balance at End of Year	<u>\$ 908,405</u>	<u>\$ 1,527,879</u>	<u>\$ 2,730,192</u>	<u>\$ 1,202,313</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT FUND				
Revenues:				
Intergovernmental Revenues	\$ 2,664,315	\$ 1,834,469	\$ 1,421,557	\$ (412,912)
Investment Earnings	135	135	216	81
All Other Revenue	155,600	166,252	165,461	(791)
Total Revenues	<u>2,820,050</u>	<u>2,000,856</u>	<u>1,587,234</u>	<u>(413,622)</u>
Expenditures:				
Community Environment:				
Personal Services	644,572	600,546	500,403	100,143
Materials and Supplies	4,750	4,632	4,344	288
Contractual Services	1,840,026	1,413,768	861,962	551,806
Other Expenditures	10,000	15,841	15,792	49
Total Expenditures	<u>2,499,348</u>	<u>2,034,787</u>	<u>1,382,501</u>	<u>652,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	320,702	(33,931)	204,733	238,664
Fund Balance at Beginning of Year	(144,038)	(144,038)	(144,038)	0
Prior Year Encumbrances	260,165	260,165	260,165	0
Fund Balance at End of Year	<u>\$ 436,829</u>	<u>\$ 82,196</u>	<u>\$ 320,860</u>	<u>\$ 238,664</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds
For the Year Ended December 31, 2013***

CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 400,000	\$ 331,549	\$ (68,451)
Investment Earnings	1,759	2,398	639
Total Revenues	<u>401,759</u>	<u>333,947</u>	<u>(67,812)</u>
Expenditures:			
Capital Outlay	4,113,123	4,079,030	34,093
Total Expenditures	<u>4,113,123</u>	<u>4,079,030</u>	<u>34,093</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,711,364)	(3,745,083)	(33,719)
Other Financing Sources (Uses):			
Note Issuance	1,000,000	1,000,000	0
OPWC Loan Issuance	600,000	600,000	0
Transfers In	1,133,131	1,148,131	15,000
Total Other Financing Sources (Uses)	<u>2,733,131</u>	<u>2,748,131</u>	<u>15,000</u>
Net Change in Fund Balance	(978,233)	(996,952)	(18,719)
Fund Balance at Beginning of Year	1,641,453	1,641,453	0
Prior Year Encumbrances	1,377,250	1,377,250	0
Fund Balance at End of Year	<u>\$ 2,040,470</u>	<u>\$ 2,021,751</u>	<u>\$ (18,719)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

STREET DEPARTMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,767,000	\$ 1,765,913	\$ (1,087)
All Other Revenue	56,896	57,977	1,081
Total Revenues	<u>1,823,896</u>	<u>1,823,890</u>	<u>(6)</u>
Expenditures:			
Transportation:			
Personal Services	1,732,265	1,729,290	2,975
Materials and Supplies	585,817	579,230	6,587
Contractual Services	315,424	310,538	4,886
Other Expenditures	5,638	5,637	1
Capital Outlay	8,927	8,218	709
Total Expenditures	<u>2,648,071</u>	<u>2,632,913</u>	<u>15,158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(824,175)	(809,023)	15,152
Other Financing Sources (Uses):			
Transfers In	630,932	700,124	69,192
Total Other Financing Sources (Uses)	<u>630,932</u>	<u>700,124</u>	<u>69,192</u>
Net Change in Fund Balance	(193,243)	(108,899)	84,344
Fund Balance at Beginning of Year	115,502	115,502	0
Prior Year Encumbrances	200,934	200,934	0
Fund Balance at End of Year	<u>\$ 123,193</u>	<u>\$ 207,537</u>	<u>\$ 84,344</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CEMETERY FUND			
Revenues:			
Charges for Services	\$ 3,500	\$ 3,451	\$ (49)
Investment Earnings	135	89	(46)
Total Revenues	<u>3,635</u>	<u>3,540</u>	<u>(95)</u>
Expenditures:			
Public Health and Welfare Services:			
Personal Services	12,510	12,510	0
Materials and Supplies	12,000	12,000	0
Contractual Services	13,700	13,700	0
Other Expenditures	11,900	0	11,900
Total Expenditures	<u>50,110</u>	<u>38,210</u>	<u>11,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,475)	(34,670)	11,805
Fund Balance at Beginning of Year	<u>836,737</u>	<u>836,737</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 790,262</u>	<u>\$ 802,067</u>	<u>\$ 11,805</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

SPECIAL IMPROVEMENT DISTRICT FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special Assessments	<u>\$ 118</u>	<u>\$ 118</u>	<u>\$ 0</u>
Total Revenues	<u>118</u>	<u>118</u>	<u>0</u>
Expenditures:			
Community Environment:			
Contractual Services	<u>9</u>	<u>9</u>	<u>0</u>
Other Expenditures	<u>5,262</u>	<u>5,262</u>	<u>0</u>
Total Expenditures	<u>5,271</u>	<u>5,271</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,153)</u>	<u>(5,153)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>5,153</u>	<u>5,153</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

VETERANS MEMORIAL SIDEWALK FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 568	\$ 575	\$ 7
All Other Revenue	<u>1,500</u>	<u>1,450</u>	<u>(50)</u>
Total Revenues	<u>2,068</u>	<u>2,025</u>	<u>(43)</u>
Expenditures:			
General Government:			
Contractual Services	<u>10,100</u>	<u>6,724</u>	<u>3,376</u>
Total Expenditures	<u>10,100</u>	<u>6,724</u>	<u>3,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,032)	(4,699)	3,333
Fund Balance at Beginning of Year	<u>87,529</u>	<u>87,529</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 79,497</u>	<u>\$ 82,830</u>	<u>\$ 3,333</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	ARRA/HERA FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 182,565	\$ 153,401	\$ (29,164)
Total Revenues	<u>182,565</u>	<u>153,401</u>	<u>(29,164)</u>
Expenditures:			
Community Environment: Neighborhood Stabilization Program:			
Contractual Services	<u>49,776</u>	<u>49,776</u>	<u>0</u>
Total Expenditures	<u>49,776</u>	<u>49,776</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	132,789	103,625	(29,164)
Other Financing Sources (Uses):			
Advances Out	<u>(103,625)</u>	<u>(103,625)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(103,625)</u>	<u>(103,625)</u>	<u>0</u>
Net Change in Fund Balance	29,164	0	(29,164)
Fund Balance at Beginning of Year	(22,940)	(22,940)	0
Prior Year Encumbrances	<u>22,940</u>	<u>22,940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,164</u>	<u>\$ 0</u>	<u>\$ (29,164)</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SAFETY GRANTS FUND			
Revenues:			
Intergovernmental Revenues	\$ 1,011,953	\$ 536,617	\$ (475,336)
Total Revenues	<u>1,011,953</u>	<u>536,617</u>	<u>(475,336)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	449,684	306,382	143,302
Materials and Supplies	112,451	112,451	0
Contractual Services	528,473	438,658	89,815
Capital Outlay	41,928	41,528	400
Total Expenditures	<u>1,132,536</u>	<u>899,019</u>	<u>233,517</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,583)	(362,402)	(241,819)
Other Financing Sources (Uses):			
Transfers In	225,222	225,224	2
Advances Out	<u>(82,363)</u>	<u>(82,363)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>142,859</u>	<u>142,861</u>	<u>2</u>
Net Change in Fund Balance	22,276	(219,541)	(241,817)
Fund Balance at Beginning of Year	(225,710)	(225,710)	0
Prior Year Encumbrances	225,710	225,710	0
Fund Balance at End of Year	<u>\$ 22,276</u>	<u>\$ (219,541)</u>	<u>\$ (241,817)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
POLICE/FIRE PENSION FUND			
Revenues:			
Taxes	\$ 424,346	\$ 413,438	\$ (10,908)
Intergovernmental Revenues	67,308	67,928	620
Total Revenues	<u>491,654</u>	<u>481,366</u>	<u>(10,288)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	465,554	465,554	0
Contractual Services	7,032	7,032	0
Total Expenditures	<u>472,586</u>	<u>472,586</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,068	8,780	(10,288)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,068</u>	<u>\$ 8,780</u>	<u>\$ (10,288)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 143,000	\$ 143,182	\$ 182
Total Revenues	<u>143,000</u>	<u>143,182</u>	<u>182</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,000	143,182	182
Other Financing Sources (Uses):			
Transfers Out	<u>(142,000)</u>	<u>(142,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(142,000)</u>	<u>(142,000)</u>	<u>0</u>
Net Change in Fund Balance	1,000	1,182	182
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 1,182</u>	<u>\$ 182</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 25,000	\$ 18,379	\$ (6,621)
Fines and Forfeitures	73,500	84,200	10,700
All Other Revenue	0	40	40
Total Revenues	<u>98,500</u>	<u>102,619</u>	<u>4,119</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	<u>161,569</u>	<u>160,025</u>	<u>1,544</u>
Total Expenditures	<u>161,569</u>	<u>160,025</u>	<u>1,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,069)	(57,406)	5,663
Fund Balance at Beginning of Year	104,212	104,212	0
Prior Year Encumbrances	<u>21,569</u>	<u>21,569</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,712</u>	<u>\$ 68,375</u>	<u>\$ 5,663</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 90	\$ 90
Total Revenues	0	90	90
Expenditures:			
General Government:			
Capital Outlay	446,941	244,082	202,859
Total Expenditures	446,941	244,082	202,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	(446,941)	(243,992)	202,949
Other Financing Sources (Uses):			
Note Issuance	250,000	250,000	0
Total Other Financing Sources (Uses)	250,000	250,000	0
Net Change in Fund Balance	(196,941)	6,008	202,949
Fund Balance at Beginning of Year	1,324	1,324	0
Prior Year Encumbrances	196,941	196,941	0
Fund Balance at End of Year	\$ 1,324	\$ 204,273	\$ 202,949

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 208,000	\$ 202,774	\$ (5,226)
Total Revenues	<u>208,000</u>	<u>202,774</u>	<u>(5,226)</u>
Expenditures:			
General Government:			
Personal Services	81,933	77,249	4,684
Materials and Supplies	16,500	2,338	14,162
Contractual Services	103,230	40,083	63,147
Capital Outlay	<u>41,168</u>	<u>20,107</u>	<u>21,061</u>
Total Expenditures	<u>242,831</u>	<u>139,777</u>	<u>103,054</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,831)	62,997	97,828
Fund Balance at Beginning of Year	273,374	273,374	0
Prior Year Encumbrances	<u>4,783</u>	<u>4,783</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 243,326</u>	<u>\$ 341,154</u>	<u>\$ 97,828</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMISSIVE LICENSE TAX FUND			
Revenues:			
Intergovernmental Revenues	\$ 850,000	\$ 837,052	\$ (12,948)
All Other Revenue	30,853	30,853	0
Total Revenues	<u>880,853</u>	<u>867,905</u>	<u>(12,948)</u>
Expenditures:			
Transportation:			
Contractual Services	1,194,032	1,194,032	0
Total Expenditures	<u>1,194,032</u>	<u>1,194,032</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(313,179)	(326,127)	(12,948)
Fund Balance at Beginning of Year	317,828	317,828	0
Prior Year Encumbrances	<u>189,117</u>	<u>189,117</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 193,766</u>	<u>\$ 180,818</u>	<u>\$ (12,948)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBATION GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 393,349	\$ 379,660	\$ (13,689)
All Other Revenue	0	8	8
Total Revenues	<u>393,349</u>	<u>379,668</u>	<u>(13,681)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	262,884	256,227	6,657
Materials and Supplies	59,248	51,018	8,230
Contractual Services	127,210	109,289	17,921
Other Expenditures	15,161	15,161	0
Capital Outlay	21,107	21,107	0
Total Expenditures	<u>485,610</u>	<u>452,802</u>	<u>32,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(92,261)	(73,134)	19,127
Other Financing Sources (Uses):			
Transfers In	15,500	12,000	(3,500)
Total Other Financing Sources (Uses)	<u>15,500</u>	<u>12,000</u>	<u>(3,500)</u>
Net Change in Fund Balance	(76,761)	(61,134)	15,627
Fund Balance at Beginning of Year	72,422	72,422	0
Prior Year Encumbrances	10,380	10,380	0
Fund Balance at End of Year	<u>\$ 6,041</u>	<u>\$ 21,668</u>	<u>\$ 15,627</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL TRANSIT ADMINISTRATION FUND			
Revenues:			
Intergovernmental Revenues	\$ 625,297	\$ 423,892	\$ (201,405)
Charges for Services	15,000	12,919	(2,081)
All Other Revenue	6,919	6,919	0
Total Revenues	<u>647,216</u>	<u>443,730</u>	<u>(203,486)</u>
Expenditures:			
Transportation:			
Personal Services	45,840	38,866	6,974
Materials and Supplies	5,269	5,269	0
Contractual Services	376,649	218,443	158,206
Total Expenditures	<u>427,758</u>	<u>262,578</u>	<u>165,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,458	181,152	(38,306)
Other Financing Sources (Uses):			
Advances Out	(124,435)	(124,435)	0
Total Other Financing Sources (Uses)	<u>(124,435)</u>	<u>(124,435)</u>	<u>0</u>
Net Change in Fund Balance	95,023	56,717	(38,306)
Fund Balance at Beginning of Year	(102,000)	(102,000)	0
Prior Year Encumbrances	102,000	102,000	0
Fund Balance at End of Year	<u>\$ 95,023</u>	<u>\$ 56,717</u>	<u>\$ (38,306)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ODNR GRANTS FUND			
Revenues:			
Intergovernmental Revenues	\$ 71,965	\$ 1,000	\$ (70,965)
All Other Revenue	0	4,828	4,828
Total Revenues	<u>71,965</u>	<u>5,828</u>	<u>(66,137)</u>
Expenditures:			
Community Environment:			
Materials and Supplies	1,000	1,000	0
Contractual Services	<u>95,073</u>	<u>85,566</u>	<u>9,507</u>
Total Expenditures	<u>96,073</u>	<u>86,566</u>	<u>9,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,108)	(80,738)	(56,630)
Other Financing Sources (Uses):			
Transfers In	38,029	38,029	0
Advances Out	<u>(4,829)</u>	<u>(4,829)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>33,200</u>	<u>33,200</u>	<u>0</u>
Net Change in Fund Balance	9,092	(47,538)	(56,630)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,092</u>	<u>\$ (47,538)</u>	<u>\$ (56,630)</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	FEMA FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
All Other Revenue	\$ 141,928	\$ 141,928	\$ 0
Total Revenues	<u>141,928</u>	<u>141,928</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,928	141,928	0
Other Financing Sources (Uses):			
Transfers Out	<u>(141,928)</u>	<u>(141,928)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(141,928)</u>	<u>(141,928)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BROWNFIELD CLEANUP FUND			
Revenues:			
Intergovernmental Revenues	\$ 268,487	\$ 294,894	\$ 26,407
Total Revenues	<u>268,487</u>	<u>294,894</u>	<u>26,407</u>
Expenditures:			
Public Health and Welfare Services:			
Personal Services	2,222	2,222	0
Contractual Services	<u>78,888</u>	<u>78,888</u>	<u>0</u>
Total Expenditures	<u>81,110</u>	<u>81,110</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	187,377	213,784	26,407
Other Financing Sources (Uses):			
Advances In	15,743	15,743	0
Advances Out	<u>(234,990)</u>	<u>(234,990)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(219,247)</u>	<u>(219,247)</u>	<u>0</u>
Net Change in Fund Balance	(31,870)	(5,463)	26,407
Fund Balance at Beginning of Year	(51,619)	(51,619)	0
Prior Year Encumbrances	<u>51,619</u>	<u>51,619</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (31,870)</u>	<u>\$ (5,463)</u>	<u>\$ 26,407</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 157,000	\$ 162,861	\$ 5,861
All Other Revenue	0	1,500	1,500
Total Revenues	157,000	164,361	7,361
Expenditures:			
General Government:			
Materials and Supplies	3,102	2,589	513
Contractual Services	47,655	8,613	39,042
Total Expenditures	50,757	11,202	39,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	106,243	153,159	46,916
Fund Balance at Beginning of Year	953,440	953,440	0
Prior Year Encumbrances	3,037	3,037	0
Fund Balance at End of Year	\$ 1,062,720	\$ 1,109,636	\$ 46,916

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 5,617	\$ 6,725	\$ 1,108
All Other Revenue	0	2,669	2,669
Total Revenues	<u>5,617</u>	<u>9,394</u>	<u>3,777</u>
Expenditures:			
Debt Service:			
Principal Retirement	2,805,129	2,805,128	1
Interest and Fiscal Charges	<u>586,246</u>	<u>540,694</u>	<u>45,552</u>
Total Expenditures	<u>3,391,375</u>	<u>3,345,822</u>	<u>45,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,385,758)	(3,336,428)	49,330
Other Financing Sources (Uses):			
Note Issuance	2,200,000	2,200,000	0
Transfers In	<u>1,444,688</u>	<u>1,444,688</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,644,688</u>	<u>3,644,688</u>	<u>0</u>
Net Change in Fund Balance	258,930	308,260	49,330
Fund Balance at Beginning of Year	<u>391,186</u>	<u>391,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 650,116</u>	<u>\$ 699,446</u>	<u>\$ 49,330</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TAX INCREMENT FINANCING FUND			
Revenues:			
Taxes	\$ 708,500	\$ 662,390	\$ (46,110)
All Other Revenue	60,000	0	(60,000)
Total Revenues	<u>768,500</u>	<u>662,390</u>	<u>(106,110)</u>
Expenditures:			
General Government:			
Contractual Services	20,450	17,310	3,140
Other Expenditures	275,000	237,048	37,952
Debt Service:			
Principal Retirement	418,701	418,701	0
Interest and Fiscal Charges	180,357	180,355	2
Total Expenditures	<u>894,508</u>	<u>853,414</u>	<u>41,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,008)	(191,024)	(65,016)
Fund Balance at Beginning of Year	572,272	572,272	0
Prior Year Encumbrances	54,870	54,870	0
Fund Balance at End of Year	<u>\$ 501,134</u>	<u>\$ 436,118</u>	<u>\$ (65,016)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	19,486	19,486	0
Total Expenditures	19,486	19,486	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,486)	(19,486)	0
Other Financing Sources (Uses):			
Loan Proceeds	52,516	52,516	0
Transfers Out	(21,942)	(21,942)	0
Advances Out	(11,088)	(11,088)	0
Total Other Financing Sources (Uses)	19,486	19,486	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	(44,254)	(44,254)	0
Prior Year Encumbrances	44,254	44,254	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 25,500	\$ 23,628	\$ (1,872)
Total Revenues	<u>25,500</u>	<u>23,628</u>	<u>(1,872)</u>
Expenditures:			
Capital Outlay	<u>80,000</u>	<u>65,470</u>	<u>14,530</u>
Total Expenditures	<u>80,000</u>	<u>65,470</u>	<u>14,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,500)	(41,842)	12,658
Fund Balance at Beginning of Year	<u>373,400</u>	<u>373,400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 318,900</u>	<u>\$ 331,558</u>	<u>\$ 12,658</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Municipal Court Fund

To account for funds that flow through the municipal court office.

Fire Code Fund

To account for funds for insurance payments received and disbursed as agent relative to fire damages incurred by City property owners.

Law Library Fund

To account for funds collected for the remittance of fines and forfeitures to the County Law Library.

Joint Economic Development Zone Fund

To account for monies generated by the Etna Corporate Park Economic Development Zone and distributed to the appropriate local governments.

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013**

	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$410,676	\$4,918,689	(\$4,888,281)	\$441,084
Total Assets	\$410,676	\$4,918,689	(\$4,888,281)	\$441,084
Liabilities:				
Intergovernmental Payable	\$197,854	\$2,833,875	(\$2,796,477)	\$235,252
Due to Others	212,822	2,084,814	(2,091,804)	205,832
Total Liabilities	\$410,676	\$4,918,689	(\$4,888,281)	\$441,084
<u>Fire Code Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$16,169	\$10,400	(\$19,067)	\$7,502
Total Assets	\$16,169	\$10,400	(\$19,067)	\$7,502
Liabilities:				
Due to Others	\$16,169	\$10,400	(\$19,067)	\$7,502
Total Liabilities	\$16,169	\$10,400	(\$19,067)	\$7,502
<u>Law Library Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$10,271	\$65,902	(\$76,173)	\$0
Total Assets	\$10,271	\$65,902	(\$76,173)	\$0
Liabilities:				
Due to Others	\$10,271	\$65,902	(\$76,173)	\$0
Total Liabilities	\$10,271	\$65,902	(\$76,173)	\$0
<u>Joint Economic Development Zone Fund</u>				
Receivables:				
Taxes	\$14,172	\$7,102	(\$14,172)	\$7,102
Restricted Assets:				
Cash and Cash Equivalents	357,517	419,716	(330,939)	446,294
Total Assets	\$371,689	\$426,818	(\$345,111)	\$453,396
Liabilities:				
Intergovernmental Payable	\$371,689	\$426,818	(\$345,111)	\$453,396
Total Liabilities	\$371,689	\$426,818	(\$345,111)	\$453,396

(Continued)

CITY OF NEWARK, OHIO

	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013
<u>Totals - All Agency Funds</u>				
Receivables:				
Taxes	\$14,172	\$7,102	(\$14,172)	\$7,102
Restricted Assets:				
Cash and Cash Equivalents	794,633	5,414,707	(5,314,460)	894,880
Total Assets	<u>\$808,805</u>	<u>\$5,421,809</u>	<u>(\$5,328,632)</u>	<u>\$901,982</u>
Liabilities:				
Intergovernmental Payable	\$569,543	\$3,260,693	(\$3,141,588)	\$688,648
Due to Others	239,262	2,161,116	(2,187,044)	213,334
Total Liabilities	<u>\$808,805</u>	<u>\$5,421,809</u>	<u>(\$5,328,632)</u>	<u>\$901,982</u>



***S* STATISTICAL *T*ABLES**

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Newark

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2004	2005	2006	2007
Governmental Activities:				
Net Investment in Capital Assets	\$37,431,082	\$41,575,185	\$41,597,859	\$42,336,454
Restricted	9,738,644	8,985,105	10,001,298	10,651,987
Unrestricted	6,235,271	3,917,313	7,065,973	8,161,990
Total Governmental Activities Net Position	<u>\$53,404,997</u>	<u>\$54,477,603</u>	<u>\$58,665,130</u>	<u>\$61,150,431</u>
Business-type Activities:				
Net Investment in Capital Assets	\$16,562,270	\$16,658,851	\$16,901,941	\$17,699,290
Unrestricted	7,793,616	7,622,732	7,692,238	7,143,040
Total Business-type Activities Net Position	<u>\$24,355,886</u>	<u>\$24,281,583</u>	<u>\$24,594,179</u>	<u>\$24,842,330</u>
Primary Government:				
Net Investment in Capital Assets	\$53,993,352	\$58,234,036	\$58,499,800	\$60,035,744
Restricted	9,738,644	8,985,105	10,001,298	10,651,987
Unrestricted	14,028,887	11,540,045	14,758,211	15,305,030
Total Primary Government Net Position	<u>\$77,760,883</u>	<u>\$78,759,186</u>	<u>\$83,259,309</u>	<u>\$85,992,761</u>

Source: City Auditor's Office

City of Newark

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$40,441,667	\$41,316,426	\$40,274,220	\$42,258,279	\$42,970,107	\$46,111,207
11,110,542	10,280,743	11,967,071	14,149,111	13,070,091	11,903,557
6,404,496	5,535,025	1,469,212	2,265,579	2,407,288	1,671,736
<u>\$57,956,705</u>	<u>\$57,132,194</u>	<u>\$53,710,503</u>	<u>\$58,672,969</u>	<u>\$58,447,486</u>	<u>\$59,686,500</u>
\$16,956,742	\$22,335,180	\$21,621,744	\$20,600,700	\$22,105,075	\$23,693,170
3,965,856	1,819,773	4,271,539	6,514,026	5,214,754	5,003,115
<u>\$20,922,598</u>	<u>\$24,154,953</u>	<u>\$25,893,283</u>	<u>\$27,114,726</u>	<u>\$27,319,829</u>	<u>\$28,696,285</u>
\$57,398,409	\$63,651,606	\$61,895,964	\$62,858,979	\$65,075,182	\$69,804,377
11,110,542	10,280,743	11,967,071	14,149,111	13,070,091	11,903,557
10,370,352	7,354,798	5,740,751	8,779,605	7,622,042	6,674,851
<u>\$78,879,303</u>	<u>\$81,287,147</u>	<u>\$79,603,786</u>	<u>\$85,787,695</u>	<u>\$85,767,315</u>	<u>\$88,382,785</u>

City of Newark

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2004	2005	2006
Expenses			
Governmental Activities:			
Security of Persons and Property	\$17,852,605	\$18,253,664	\$17,480,448
Leisure Time Activities	779,879	1,967,952	765,014
Community Environment	3,060,056	2,852,477	3,167,222
Public Health and Welfare Services	2,984,327	2,889,892	2,395,607
Transportation	5,512,403	5,212,238	4,323,012
General Government	8,342,604	7,628,709	7,467,121
Interest and Fiscal Charges	769,524	745,884	973,340
<i>Total Governmental Activities Expenses</i>	39,301,398	39,550,816	36,571,764
Business-type Activities:			
Water	6,211,742	6,052,567	6,269,588
Sewer	5,505,242	5,064,620	5,226,934
Storm Water	0	548,172	574,598
<i>Total Business-type Activities Expenses</i>	11,716,984	11,665,359	12,071,120
<i>Total Primary Government Expenses</i>	\$51,018,382	\$51,216,175	\$48,642,884
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,491,784	\$1,488,751	\$1,799,406
Leisure Time Activities	152,957	134,677	14,944
Community Environment	10,970	13,881	8,338
Public Health and Welfare Services	653,762	760,013	785,037
Transportation	387,563	346,262	737,628
General Government	1,573,899	1,598,486	1,605,988
Operating Grants and Contributions	5,355,416	7,002,350	5,054,184
Capital Grants and Contributions	1,462,515	1,584,213	470,643
<i>Total Governmental Activities Program Revenues</i>	11,088,866	12,928,633	10,476,168

City of Newark

2007	2008	2009	2010	2011	2012	2013
\$18,150,460	\$19,619,726	\$18,993,822	\$18,825,824	\$17,438,065	\$19,288,483	\$17,844,738
524,374	560,532	669,024	575,431	560,236	658,305	629,675
2,921,535	3,059,820	2,984,886	2,666,668	1,958,987	2,221,036	2,050,028
2,375,792	599,601	10,329	157,745	217,140	1,770,199	119,440
5,927,546	6,060,496	6,762,557	5,686,444	5,364,963	6,457,578	4,761,118
9,020,333	10,396,217	10,430,285	11,671,609	10,283,567	10,860,659	10,207,273
900,691	800,191	760,156	787,437	757,878	799,142	812,373
<u>39,820,731</u>	<u>41,096,583</u>	<u>40,611,059</u>	<u>40,371,158</u>	<u>36,580,836</u>	<u>42,055,402</u>	<u>36,424,645</u>
7,006,340	6,650,976	6,604,911	6,120,509	6,444,744	6,670,964	5,729,159
5,161,535	5,291,774	5,941,006	5,238,347	5,568,346	6,660,500	6,000,714
323,709	614,380	989,162	2,122,819	1,920,374	1,721,062	3,002,057
<u>12,491,584</u>	<u>12,557,130</u>	<u>13,535,079</u>	<u>13,481,675</u>	<u>13,933,464</u>	<u>15,052,526</u>	<u>14,731,930</u>
<u>\$52,312,315</u>	<u>\$53,653,713</u>	<u>\$54,146,138</u>	<u>\$53,852,833</u>	<u>\$50,514,300</u>	<u>\$57,107,928</u>	<u>\$51,156,575</u>
\$2,412,289	\$3,411,136	\$3,886,667	\$3,650,730	\$3,346,407	\$3,415,217	\$3,063,296
17,489	16,428	16,031	0	0	0	0
59,808	55,384	45,885	44,318	62,801	68,149	72,154
749,119	190,593	202,895	73,932	138,358	245,040	108,539
408,675	411,174	142,495	108,475	89,514	109,699	11,657
1,450,658	1,011,575	1,131,397	459,996	585,758	574,438	650,115
6,773,027	4,730,482	5,488,390	5,745,895	7,222,698	9,926,907	6,169,429
490,142	10,000	184,019	295,531	2,892,903	290,794	1,081,549
<u>12,361,207</u>	<u>9,836,772</u>	<u>11,097,779</u>	<u>10,378,877</u>	<u>14,338,439</u>	<u>14,630,244</u>	<u>11,156,739</u>

(Continued)

City of Newark

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2004	2005	2006
Business-type Activities:			
Charges for Services			
Water	5,417,300	5,553,973	6,001,796
Sewer	5,063,317	5,594,568	5,965,994
Storm Water	0	0	512,738
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	617,135	258,709
<i>Total Business-type Activities Program Revenues</i>	<u>10,480,617</u>	<u>11,765,676</u>	<u>12,739,237</u>
<i>Total Primary Government Program Revenues</i>	<u>21,569,483</u>	<u>24,694,309</u>	<u>23,215,405</u>
Net (Expense)/Revenue			
Governmental Activities	(28,212,532)	(26,622,183)	(26,095,596)
Business-type Activities	(1,236,367)	100,317	668,117
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$29,448,899)</u>	<u>(\$26,521,866)</u>	<u>(\$25,427,479)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,104,016	\$2,085,941	\$2,458,710
Special Purposes	395,123	409,649	457,463
Capital Purposes	424,309	437,843	479,445
Income Taxes	18,301,809	19,033,478	19,802,040
Other Local Taxes	357,786	366,456	360,964
Intergovernmental, Unrestricted	3,093,804	3,406,457	3,634,841
Investment Earnings	322,867	433,890	880,326
Miscellaneous	732,231	1,297,389	1,500,256
Transfers	234,050	223,686	264,680
<i>Total Governmental Activities</i>	<u>25,965,995</u>	<u>27,694,789</u>	<u>29,838,725</u>
Business-type Activities:			
Investment Earnings	21,779	49,066	97,179
Transfers	(234,050)	(223,686)	(264,680)
<i>Total Business-type Activities</i>	<u>(212,271)</u>	<u>(174,620)</u>	<u>(167,501)</u>
<i>Total Primary Government</i>	<u>\$25,753,724</u>	<u>\$27,520,169</u>	<u>\$29,671,224</u>
Change in Net Position			
Governmental Activities	(\$2,246,537)	\$1,072,606	\$3,743,129
Business-type Activities	(1,448,638)	(74,303)	500,616
<i>Total Primary Government Change in Net Position</i>	<u>(\$3,695,175)</u>	<u>\$998,303</u>	<u>\$4,243,745</u>

Source: City Auditor's Office

City of Newark

2007	2008	2009	2010	2011	2012	2013
6,034,022	5,998,709	5,850,171	6,094,605	6,027,520	6,217,554	6,570,928
5,836,149	5,880,392	5,918,464	6,563,274	6,600,685	6,742,077	6,871,755
1,843,164	2,168,753	2,229,720	2,513,032	2,655,588	2,728,525	2,806,031
0	0	0	0	0	0	0
0	0	3,691,191	750,445	0	0	350,000
<u>13,713,335</u>	<u>14,047,854</u>	<u>17,689,546</u>	<u>15,921,356</u>	<u>15,283,793</u>	<u>15,688,156</u>	<u>16,598,714</u>
<u>26,074,542</u>	<u>23,884,626</u>	<u>28,787,325</u>	<u>26,300,233</u>	<u>29,622,232</u>	<u>30,318,400</u>	<u>27,755,453</u>
(27,459,524)	(31,259,811)	(29,513,280)	(29,992,281)	(22,242,397)	(27,425,158)	(25,267,906)
1,221,751	1,490,724	4,154,467	2,439,681	1,350,329	635,630	1,866,784
<u>(\$26,237,773)</u>	<u>(\$29,769,087)</u>	<u>(\$25,358,813)</u>	<u>(\$27,552,600)</u>	<u>(\$20,892,068)</u>	<u>(\$26,789,528)</u>	<u>(\$23,401,122)</u>
\$2,306,500	\$2,189,609	\$2,150,345	\$2,126,951	\$2,003,214	\$2,037,865	\$2,079,535
457,534	436,568	427,084	421,153	398,173	403,724	411,562
284,487	282,935	251,214	265,668	919,482	740,590	662,390
20,312,181	20,899,162	18,845,278	18,880,522	19,440,371	20,287,028	19,435,197
433,007	366,551	358,197	361,444	496,040	476,211	503,408
3,794,607	3,264,236	4,214,287	3,554,614	3,099,985	2,231,124	2,075,599
1,077,750	636,922	369,406	219,412	175,826	168,953	132,177
751,758	431,212	1,134,938	658,189	540,484	417,356	715,301
834,314	924,993	938,020	82,637	131,288	436,824	491,751
<u>30,252,138</u>	<u>29,432,188</u>	<u>28,688,769</u>	<u>26,570,590</u>	<u>27,204,863</u>	<u>27,199,675</u>	<u>26,506,920</u>
93,819	37,267	15,908	3,247	2,402	6,297	1,423
(834,314)	(924,993)	(938,020)	(82,637)	(131,288)	(436,824)	(491,751)
<u>(740,495)</u>	<u>(887,726)</u>	<u>(922,112)</u>	<u>(79,390)</u>	<u>(128,886)</u>	<u>(430,527)</u>	<u>(490,328)</u>
<u>\$29,511,643</u>	<u>\$28,544,462</u>	<u>\$27,766,657</u>	<u>\$26,491,200</u>	<u>\$27,075,977</u>	<u>\$26,769,148</u>	<u>\$26,016,592</u>
\$2,792,614	(\$1,827,623)	(\$824,511)	(\$3,421,691)	\$4,962,466	(\$225,483)	\$1,239,014
481,256	602,998	3,232,355	2,360,291	1,221,443	205,103	1,376,456
<u>\$3,273,870</u>	<u>(\$1,224,625)</u>	<u>\$2,407,844</u>	<u>(\$1,061,400)</u>	<u>\$6,183,909</u>	<u>(\$20,380)</u>	<u>\$2,615,470</u>

City of Newark

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2004	2005	2006	2007
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	487,274	307,378	739,920	848,097
Unreserved	970,399	528,313	1,114,748	2,717,746
<i>Total General Fund</i>	<u>1,457,673</u>	<u>835,691</u>	<u>1,854,668</u>	<u>3,565,843</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	4,689,768	2,546,268	4,515,664	2,531,396
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,371,326	4,428,725	4,891,038	4,329,307
Capital Projects Funds	(2,213,005)	(2,889,968)	(1,997,460)	(849,552)
<i>Total All Other Governmental Funds</i>	<u>6,848,089</u>	<u>4,085,025</u>	<u>7,409,242</u>	<u>6,011,151</u>
<i>Total Governmental Funds</i>	<u>\$8,305,762</u>	<u>\$4,920,716</u>	<u>\$9,263,910</u>	<u>\$9,576,994</u>

Source: City Auditor's Office

NOTE: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Newark

2008	2009	2010	2011	2012	2013
\$0	\$0	\$0	\$115,987	\$117,771	\$122,904
0	0	0	534,701	1,300,983	2,298,246
0	0	0	3,752,273	2,501,691	1,095,173
470,901	580,093	570,773	0	0	0
<u>2,608,161</u>	<u>2,403,167</u>	<u>1,774,282</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>3,079,062</u>	<u>2,983,260</u>	<u>2,345,055</u>	<u>4,402,961</u>	<u>3,920,445</u>	<u>3,516,323</u>
\$0	\$0	\$0	\$4,903,304	\$231,351	\$187,475
0	0	0	8,042,449	12,053,339	10,966,671
0	0	0	(755,421)	(558,807)	(1,044,814)
2,867,626	2,542,594	3,989,848	0	0	0
3,774,340	2,850,367	3,858,783	0	0	0
(4,972)	(211,166)	331,383	0	0	0
<u>6,636,994</u>	<u>5,181,795</u>	<u>8,180,014</u>	<u>12,190,332</u>	<u>11,725,883</u>	<u>10,109,332</u>
<u>\$9,716,056</u>	<u>\$8,165,055</u>	<u>\$10,525,069</u>	<u>\$16,593,293</u>	<u>\$15,646,328</u>	<u>\$13,625,655</u>

City of Newark

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2004	2005	2006	2007
Revenues:				
Taxes	\$20,867,126	\$21,765,717	\$22,853,652	\$23,795,166
Intergovernmental Revenues	11,438,931	10,751,711	9,577,436	10,137,168
Charges for Services	1,195,072	1,143,484	1,432,375	1,615,096
Licenses, Permits and Fees	1,647,136	1,628,325	1,549,917	1,343,140
Investment Earnings	322,867	433,890	880,326	1,034,943
Special Assessments	123,112	48,518	25,230	71,218
Fines and Forfeitures	1,520,015	1,556,778	1,975,088	2,092,652
All Other Revenue	732,231	1,297,389	1,500,256	755,691
Total Revenue	<u>37,846,490</u>	<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>
Expenditures:				
Current:				
Security of Persons and Property	17,238,670	17,422,539	17,248,660	18,093,642
Public Health and Welfare Services	2,895,378	2,957,320	2,418,915	2,464,530
Leisure Time Activities	690,045	1,842,136	673,150	468,478
Community Environment	2,978,113	2,791,767	3,162,051	2,790,461
Transportation	4,004,744	3,754,392	3,281,101	4,880,029
General Government	7,307,835	7,761,611	7,728,635	8,769,728
Capital Outlay	9,965,693	7,095,408	2,980,071	4,222,928
Debt Service:				
Principal Retirement	300,000	425,000	544,000	475,000
Interest and Fiscal Charges	781,949	733,591	775,132	765,960
Total Expenditures	<u>46,162,427</u>	<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,315,937)	(6,157,952)	982,565	(2,085,682)

City of Newark

2008	2009	2010	2011	2012	2013
\$24,141,533	\$21,995,412	\$22,138,933	\$23,235,579	\$23,598,538	\$23,209,071
8,458,536	9,778,082	10,267,862	11,112,100	12,475,770	9,742,262
2,341,997	2,484,063	2,289,390	2,114,800	2,102,342	1,989,940
672,053	739,218	63,204	136,677	65,196	75,781
582,307	362,306	217,555	170,071	161,787	124,176
7,198	39,295	27,635	25,439	7,703	6,843
2,072,203	2,134,239	2,056,603	1,948,006	2,101,869	1,829,655
431,212	1,134,938	658,189	540,484	417,356	715,301
<u>38,707,039</u>	<u>38,667,553</u>	<u>37,719,371</u>	<u>39,283,156</u>	<u>40,930,561</u>	<u>37,693,029</u>
18,603,640	18,299,201	18,207,565	17,582,231	18,462,490	17,586,636
622,243	7,911	140,923	200,044	1,751,877	119,440
536,902	616,513	575,431	560,236	652,138	687,552
2,823,629	3,171,385	2,549,523	1,940,710	2,160,549	2,140,823
4,161,938	4,886,329	3,936,324	3,981,510	4,377,197	3,433,453
10,003,984	9,770,565	9,774,503	10,750,798	10,259,639	9,959,941
2,915,007	4,123,220	2,460,005	2,983,077	3,614,008	4,701,957
530,000	535,000	550,000	751,726	894,321	1,018,701
748,092	705,764	722,471	665,800	736,336	725,068
<u>40,945,435</u>	<u>42,115,888</u>	<u>38,916,745</u>	<u>39,416,132</u>	<u>42,908,555</u>	<u>40,373,571</u>
(2,238,396)	(3,448,335)	(1,197,374)	(132,976)	(1,977,994)	(2,680,542)

(Continued)

City of Newark

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	103,027	237,727	74,790	81,510
Other Financing Sources - Capital Lease	0	1,698,762	1,097,605	1,413,634
State Infrastructure Bank Loan	0	0	0	0
General Obligation Bonds Issued	0	0	1,609,000	0
Refunding General Obligation Bonds Issued	0	0	2,645,000	0
Discount on General Obligation Bonds Issued	0	0	(23,223)	0
Payment to Refunded Bond Escrow Agent	0	0	(2,555,973)	0
OPWC Loan Issuance	0	0	0	0
Transfers In	21,796,392	21,261,231	21,394,511	24,517,996
Transfers Out	(20,774,982)	(20,420,361)	(20,949,831)	(23,714,241)
Total Other Financing Sources (Uses)	<u>1,124,437</u>	<u>2,777,359</u>	<u>3,291,879</u>	<u>2,298,899</u>
Net Change in Fund Balance	<u>(\$7,191,500)</u>	<u>(\$3,380,593)</u>	<u>\$4,274,444</u>	<u>\$213,217</u>
Debt Service as a Percentage of Noncapital Expenditures	2.93%	3.24%	3.80%	3.19%

Source: City Auditor's Office

City of Newark

2008	2009	2010	2011	2012	2013
43,321	0	0	0	42,975	8,372
402,087	0	718,698	319,820	350,000	73,900
0	1,021,359	162,954	191,560	738,339	52,516
1,180,000	0	1,710,000	1,200,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	600,000
23,984,004	21,370,773	19,675,687	4,469,758	2,915,010	3,031,308
(23,059,011)	(20,432,753)	(18,793,050)	(4,113,653)	(2,862,443)	(3,065,058)
2,550,401	1,959,379	3,474,289	2,067,485	1,183,881	701,038
\$312,005	(\$1,488,956)	\$2,276,915	\$1,934,509	(\$794,113)	(\$1,979,504)
3.24%	3.26%	3.40%	3.91%	4.11%	4.98%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$17,850,043	\$18,657,251	\$20,337,124	\$20,420,533	\$20,708,589
Income Tax Receipts					
Withholding	14,210,186	14,790,929	16,103,101	15,928,540	15,761,577
Percentage	79.61%	79.28%	79.18%	78.00%	76.12%
Corporate	1,070,876	1,235,602	1,555,677	1,850,596	2,399,014
Percentage	6.00%	6.62%	7.65%	9.06%	11.58%
Individuals	2,568,982	2,630,720	2,678,345	2,641,397	2,547,998
Percentage	14.39%	14.10%	13.17%	12.94%	12.30%

Source: City Income Tax Department

City of Newark

2009	2010	2011	2012	2013
1.75%	1.75%	1.75%	1.75%	1.75%
\$18,880,102	\$18,775,403	\$19,380,456	\$19,985,479	\$19,882,043
15,034,690	14,871,975	15,394,159	15,734,408	15,722,081
79.63%	79.21%	79.43%	78.73%	79.08%
1,264,276	1,389,251	1,407,060	1,645,186	1,564,374
6.70%	7.40%	7.26%	8.23%	7.87%
2,581,136	2,514,176	2,579,238	2,605,886	2,595,588
13.67%	13.39%	13.31%	13.04%	13.05%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2013

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.07%	\$20,521,501	3.12%	\$359,126	3.12%
All Others	15,301	99.93%	636,548,878	96.88%	11,139,605	96.88%
Total	15,311	100.00%	\$657,070,379	100.00%	\$11,498,731	100.00%

Calendar Year 2004

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.05%	\$15,332,074	2.28%	\$268,311	2.28%
All Others	19,970	99.95%	658,371,031	97.72%	11,521,493	97.72%
Total	19,980	100.00%	\$673,703,105	100.00%	\$11,789,804	100.00%

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

	2004	2005	2006	2007
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$65,000	\$45,000	\$25,000	\$0
General Obligation Bonds Payable	13,489,991	13,084,991	14,409,991	14,115,868
Ohio Public Works Commission Loan Payable	0	0	0	0
Capital Leases	133,235	1,748,827	2,464,526	3,255,703
ODOT State Infrastructure Bank Loan	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$10,711,128	\$9,887,329	\$9,069,717	\$8,252,069
Ohio Water Development Authority Loans Payable	6,630,766	6,912,121	9,006,413	10,754,578
Ohio Public Works Commission Loans Payable	0	0	568,655	554,439
Special Assessment Bonds Payable	51,284	46,156	41,028	35,900
Capital Leases	0	0	43,517	418,364
Total Primary Government	<u>\$31,081,404</u>	<u>\$31,724,424</u>	<u>\$35,628,847</u>	<u>\$37,386,921</u>
Population ⁽²⁾				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$672	\$686	\$770	\$808
Income ⁽³⁾				
Personal (in thousands)	\$1,373,792	\$1,411,926	\$1,483,242	\$1,569,876
Percentage of Personal Income	2.26%	2.25%	2.40%	2.38%

Sources:

- (1) City Auditor's Office
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2012, for the presentation of 2013 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

2008	2009	2010	2011	2012	2013
\$0	\$0	\$0	\$0	\$0	\$0
14,609,991	14,074,991	15,234,991	15,759,991	15,039,991	14,854,203
0	0	0	0	0	600,000
2,904,221	2,253,763	2,218,696	2,001,395	1,794,187	1,397,398
0	1,021,359	1,184,313	1,299,147	1,863,165	1,651,980
\$6,925,411	\$7,333,753	\$6,506,120	\$7,145,172	\$11,268,626	\$13,798,821
11,845,846	12,687,667	22,899,357	25,580,376	27,158,821	32,630,272
526,007	1,119,535	1,049,964	980,393	910,822	1,673,341
30,772	25,644	20,516	15,388	10,260	5,132
398,080	362,395	319,995	275,901	230,049	285,659
<u>\$37,240,328</u>	<u>\$38,879,107</u>	<u>\$49,433,952</u>	<u>\$53,057,763</u>	<u>\$58,275,921</u>	<u>\$66,896,806</u>
46,279	46,279	47,537	47,537	47,537	47,537
\$805	\$840	\$1,040	\$1,116	\$1,226	\$1,407
\$1,600,374	\$1,581,029	\$1,648,155	\$1,782,210	\$1,894,349	\$1,894,349
2.33%	2.46%	3.00%	2.98%	3.08%	3.53%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2004	2005	2006	2007
Population (1)	46,279	46,279	46,279	46,279
Personal Income (2)	\$1,373,792,115	\$1,411,926,011	\$1,483,241,950	\$1,569,876,238
General Bonded Debt				
General Obligation Bonds	\$24,201,119	\$22,972,320	\$23,479,708	\$22,367,937
Resources Available to Pay Principal	\$128,603	\$145,622	\$137,693	\$6,126
Net General Bonded Debt	\$24,072,516	\$22,826,698	\$23,342,015	\$22,361,811
Ratio of Net Bonded Debt to Personal Income	1.75%	1.62%	1.57%	1.42%
Net Bonded Debt per Capita	\$520.16	\$493.24	\$504.38	\$483.20

Source:

(1) U.S. Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2012, for the presentation of 2013 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

2008	2009	2010	2011	2012	2013
46,279	46,279	47,537	47,537	47,537	47,537
\$1,600,374,099	\$1,581,029,477	\$1,648,155,327	\$1,782,209,667	\$1,894,349,450	\$1,894,349,450
\$21,535,402	\$21,408,744	\$21,741,111	\$22,905,163	\$26,308,617	\$28,653,024
\$154,983	\$8,059	\$18,749	\$166,935	\$391,186	\$699,446
\$21,380,419	\$21,400,685	\$21,722,362	\$22,738,228	\$25,917,431	\$27,953,578
1.34%	1.35%	1.32%	1.28%	1.37%	1.48%
\$461.99	\$462.43	\$456.96	\$478.33	\$545.21	\$588.04



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2013*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark (1)</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$18,503,581	100.00%	\$18,503,581
Overlapping:			
Career and Technology Education Center	4,298,333	20.65%	887,606
Licking County	15,349,512	21.32%	3,272,516
		Total	<u>\$22,663,703</u>

Source: Licking County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

City of Newark

Debt Limitations Last Ten Years

Collection Year	2004	2005	2006	2007
<u>Total Debt</u>				
Net Assessed Valuation	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	77,326,051	78,012,162	86,985,750	85,132,629
City Debt Outstanding (2)	15,015,991	15,377,491	13,465,991	12,744,991
Less: Applicable Debt Service Fund Amounts	<u>(125,902)</u>	<u>(145,622)</u>	<u>(137,693)</u>	<u>(6,126)</u>
Net Indebtedness Subject to Limitation	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>
Overall Legal Debt Margin	<u>\$62,435,962</u>	<u>\$62,780,293</u>	<u>\$73,657,452</u>	<u>\$72,393,764</u>
Debt Margin as a Percentage of Debt Limit	80.74%	80.48%	84.68%	85.04%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	40,504,122	40,863,513	45,563,964	44,593,282
City Debt Outstanding (2)	15,015,991	15,377,491	13,465,991	12,744,991
Less: Applicable Debt Service Fund Amounts	<u>(125,902)</u>	<u>(145,622)</u>	<u>(137,693)</u>	<u>(6,126)</u>
Net Indebtedness Subject to Limitation	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>
Overall Legal Debt Margin	<u>\$25,614,033</u>	<u>\$25,631,644</u>	<u>\$32,235,666</u>	<u>\$31,854,417</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
The East Main Street Improvement and Deo Drive Bonds are TIF Bonds.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Newark

2008	2009	2010	2011	2012	2013
\$799,331,100	\$789,272,045	\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
83,929,766	82,873,565	83,983,328	84,396,479	84,440,807	85,218,647
12,619,991	12,214,991	11,859,991	12,529,991	14,159,991	14,809,991
(154,983)	(8,059)	(18,749)	(166,935)	(391,186)	(699,446)
<u>12,465,008</u>	<u>12,206,932</u>	<u>11,841,242</u>	<u>12,363,056</u>	<u>13,768,805</u>	<u>14,110,545</u>
<u>\$71,464,758</u>	<u>\$70,666,633</u>	<u>\$72,142,086</u>	<u>\$72,033,423</u>	<u>\$70,672,002</u>	<u>\$71,108,102</u>
85.15%	85.27%	85.90%	85.35%	83.69%	83.44%
\$799,331,100	\$789,272,045	\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
43,963,211	43,409,962	43,991,267	44,207,679	44,230,899	44,638,339
12,619,991	12,214,991	11,859,991	12,529,991	14,159,991	14,809,991
(154,983)	(8,059)	(18,749)	(166,935)	(391,186)	(699,446)
<u>12,465,008</u>	<u>12,206,932</u>	<u>11,841,242</u>	<u>12,363,056</u>	<u>13,768,805</u>	<u>14,110,545</u>
<u>\$31,498,203</u>	<u>\$31,203,030</u>	<u>\$32,150,025</u>	<u>\$31,844,623</u>	<u>\$30,462,094</u>	<u>\$30,527,794</u>

City of Newark

*Pledged Revenue Coverage
Last Ten Years*

	2004	2005	2006	2007	2008
Special Assessment Bonds (1)					
Special Assessment Collections	\$123,112	\$48,518	\$25,230	\$24,264	\$0
Debt Service					
Principal	20,000	20,000	20,000	25,000	0
Interest	4,230	3,942	2,250	1,250	0
Coverage	5.08	2.03	1.13	0.92	0.00
Special Assessment Bonds (2)					
Special Assessment Collections	\$15,864	\$25,741	\$16,479	\$6,725	\$7,198
Debt Service					
Principal	0	5,128	5,128	5,128	5,128
Interest	609	2,436	2,192	1,948	1,706
Coverage	26.05	3.40	2.25	0.95	1.05
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$346,398	\$346,814	\$369,806	\$172,892	\$171,761
Debt Service					
Principal	115,000	125,000	130,000	60,000	80,000
Interest	145,858	140,682	136,325	125,645	106,332
Coverage	1.33	1.31	1.39	0.93	0.92
Tax Increment Financing (TIF) (4)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$111,174
Debt Service					
Principal	0	0	0	0	50,000
Interest	0	0	0	0	41,919
Coverage	0.00	0.00	0.00	0.00	1.21

(1) Hudson Avenue Street Lighting, Governmental Activities, Retired in 2007.

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office

City of Newark

2009	2010	2011	2012	2013
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0.00	0.00	0.00	0.00	0.00
\$6,725	\$6,245	\$6,525	\$7,254	\$6,725
5,128	5,128	5,128	5,128	5,128
1,462	1,218	974	730	488
1.02	0.98	1.07	1.24	1.20
\$163,200	\$164,491	\$170,495	\$232,252	\$166,819
85,000	85,000	90,000	95,000	100,000
103,132	99,732	96,332	92,732	88,932
0.87	0.89	0.92	1.24	0.88
\$88,014	\$97,264	\$99,659	\$108,302	\$107,079
45,000	45,000	55,000	55,000	55,000
44,992	43,304	41,616	39,554	37,492
0.98	1.10	1.03	1.15	1.16

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2004	2005	2006	2007	2008
Population (1)					
City of Newark	46,279	46,279	46,279	46,279	46,279
Licking County	145,491	154,806	154,806	154,806	154,806
Income (2) (a)					
Total Personal (in thousands)	\$1,373,792	\$1,411,926	\$1,483,242	\$1,569,876	\$1,600,374
Per Capita	\$29,685	\$30,509	\$32,050	\$33,922	\$34,581
Unemployment Rate (3)					
Federal	6.0%	5.5%	5.0%	4.6%	5.8%
State	6.1%	6.0%	5.9%	5.6%	6.6%
Licking County	5.9%	5.8%	5.1%	5.2%	6.1%
Civilian Work Force Estimates (3)					
State	5,875,300	5,900,400	5,934,000	5,976,500	5,986,400
Licking County	80,500	81,100	82,700	84,500	85,600

Sources:

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2012, for the presentation of 2013 statistics, the City is using the latest information available. As the most current information becomes available, prior year figures are updated.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation.
- (3) State Department of Labor Statistics.

City of Newark

2009	2010	2011	2012	2013
46,279	47,537	47,537	47,537	47,537
154,806	166,492	166,492	166,492	166,492
\$1,581,029	\$1,648,155	\$1,782,210	\$1,894,349	\$1,894,349
\$34,163	\$34,671	\$37,491	\$39,850	\$39,850
9.7%	8.9%	8.9%	7.8%	7.4%
10.2%	8.5%	8.6%	6.7%	7.4%
11.1%	8.7%	8.0%	6.5%	6.9%
5,979,100	5,989,150	5,806,500	5,740,900	5,704,000
85,700	86,700	84,400	84,829	85,800



City of Newark

Principal Employers Current Year and Nine Years Ago

		2013	
Employer	Nature of Business	Number of Employees	Rank
Licking Memorial Hospital	Hospital	1,700	1
State Farm Insurance	Insurance	1,496	2
Licking County Government	Government	1,112	3
Anomatic	Metal Finishers	1,087	4
OSUN/COTC	Education	1,080	5
Newark City Schools	Education	970	6
Walmart	Retail	960	7
Owens Corning Fiberglass	fiberglass Insulation	550	8
City of Newark	Government	462	9
Longaberger Corporation	Decorative Baskets	300	10
Total		<u>9,717</u>	
Total Employment within the City (1)		<u>N/A</u>	
		2004	
Employer	Nature of Business	Number of Employees	Rank
State Farm Insurance	Insurance	1,401	1
Newark City Schools	Education	1,312	2
Licking County Government	Government	1,243	3
Licking Memorial Hospital	Hospital	1,195	4
Anomatic	Metal Finishers	1,145	5
Longaberger, Inc.	Decorative Baskets	1,052	6
Owens Corning Fiberglass	Fiberglass Insulation	1,045	7
OSUN/COTC	Education	631	8
City of Newark	Government	521	9
Park National Bank Inc.	Banking	493	10
Total		<u>10,038</u>	
Total Employment within the City (1)		<u>N/A</u>	

(1) - Total employment within the City is not available.

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	2004	2005	2006	2007	2008
Governmental Activities					
General Government					
Finance	20.00	20.00	20.00	20.00	20.00
Legal/Court	51.00	52.00	52.00	52.00	52.00
Administration	32.00	32.00	31.00	31.00	30.00
Maintenance	20.00	19.00	18.00	18.00	18.00
Security of Persons and Property					
Police	103.00	104.00	106.00	106.00	106.00
Fire	85.00	85.00	85.00	86.00	88.00
Transportation					
Street	34.00	32.00	32.00	32.00	32.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	20.00	20.00	18.00
Community Environment					
Community Development	6.00	6.00	7.00	7.00	7.00
Business-Type Activities					
Utilities					
Water	45.00	45.00	45.00	45.00	45.00
Sewer	26.00	26.00	26.00	26.00	26.00
Storm Water	1.00	1.00	1.00	1.00	2.00
<i>Total Employees</i>	<u>486.00</u>	<u>485.00</u>	<u>485.00</u>	<u>486.00</u>	<u>486.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

City of Newark

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
19.00	19.00	19.00	19.00	19.00
51.00	51.00	51.00	51.00	50.00
29.00	29.00	29.00	29.00	29.00
16.00	16.00	16.00	16.00	16.00
104.00	103.00	105.00	105.00	104.00
88.00	87.00	88.00	88.00	88.00
29.00	28.00	28.00	28.00	28.00
16.00	16.00	15.00	15.00	14.00
40.00	40.00	40.00	40.00	40.00
9.00	9.00	11.00	9.00	5.00
44.00	44.00	44.00	44.00	44.00
25.00	25.00	25.00	25.00	25.00
3.00	3.00	3.00	3.00	3.00
<u>473.00</u>	<u>470.00</u>	<u>474.00</u>	<u>472.00</u>	<u>465.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	2004	2005	2006	2007	2008
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,498	3,544	3,571	3,602	3,777
Licenses and Permits					
Number of Building Permits	568	581	534	521	501
Security of Persons and Property					
Police					
Number of Citations Issued	2,096	2,112	2,001	2,213	2,322
Number of Arrests	1,882	1,723	1,750	1,797	1,832
Fire					
Number of Fire Calls	5,764	5,870	6,146	6,204	6,220
Number of EMS Runs	6,949	7,228	7,672	7,737	7,839
Transportation					
Street					
Number of Streets Resurfaced	20	31	33	33	35
Community Environment					
Number of Code Violations	N/A	N/A	3	7	8
Business-Type Activities					
Water					
Number of Service Connections	19,993	20,212	20,342	20,408	20,543
Water Main Breaks	24	27	18	29	28
Daily Average Consumption (thousands of gallons)	8.8M	8.9M	8.9M	8.9M	9.0M
Sewer					
Number of Service Connections	17,936	18,243	18,657	18,687	18,703
Daily Average Sewage Treatment (thousands of gallons)	8.3M	8.3M	8.4M	8.4M	8.5M

Source: City Auditor's Office

City of Newark

2009	2010	2011	2012	2013
3,922	3,999	4,021	3,912	3,936
450	437	444	453	450
2,353	2,453	2,503	2,516	2,614
1,702	1,767	1,802	1,811	1,896
6,316	6,288	6,334	6,111	5,921
6,998	7,002	7,253	7,310	7,412
35	36	35	34	35
5	N/A	N/A	N/A	N/A
20,543	20,777	20,827	20,888	20,897
38	44	32	36	35
8.9M	9.0M	9.0M	9.1M	9.2M
18,723	18,798	18,842	18,911	18,925
8.4M	8.5M	8.6M	8.7M	8.8M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2004	2005	2006	2007	2008
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	459	459	459	459	459
Buildings	29	29	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	21	22	22	22	22
Fire					
Stations	4	4	4	4	4
Vehicles	17	18	18	19	20
Transportation					
Street					
Streets (lane miles)	220	221	226	228	228
Traffic Signals	3,334	3,338	3,338	3,342	3,342
Vehicles	36	37	37	39	39
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	197	199	199	201	203
Number of Hydrants	281	281	281	284	290
Sewer					
Sewerlines (Miles)	185	187	187	189	191
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	96	100	102	108	110
Number of Catch Basins	4,144	4,167	4,485	4,490	4,494

Source: City Auditor's Office

City of Newark

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
22	23	24	24	24
4	4	4	4	4
20	22	22	22	22
228	228	228	228	228
3,342	3,344	3,346	3,348	3,348
39	40	41	42	42
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
203	204	204	204	204
288	290	291	291	291
191	192	194	194	194
10	10	10	10	10
110	115	117	117	117
4,494	4,504	4,508	4,529	4,529





Dave Yost • Auditor of State

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 21, 2014**